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ABSTRACT

This guide to simplified performance management approaches contains five sections. The first section, entitled "Simple Techniques for Managing an Innovation," is written from the viewpoint of a principal as manager. It describes how to manage an innovation, develop an objective, allocate resources for the innovation, keep organized records, and assess the program. There are many worksheets and charts included in this section. The second section is a discussion of the origins and the current state of management by objectives. The next section tells project directors how to implement a management and supervision by results approach, and how to evaluate the outcomes. This section also includes charts and worksheets. Innovation adoption is the subject of the next section. It is entirely composed of charts and forms to be completed. The final section is an introductory workbook to management by objectives for Department of Education personnel. It is divided into an introduction, an overview of management by objectives, a description of how to develop an objective, and a description of how to use objectives to manage activity. There are also several worksheets and charts in this section. (RC)

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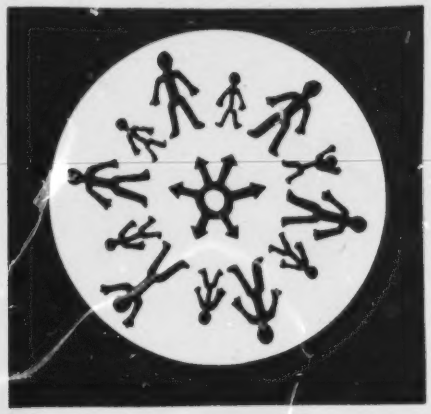

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AN INTRODUCTION TO

SIMPLIFIED PERFORMANCE MANAGEMENT APPROACHES

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New England Program in Teacher Education

Pettee Brook Offices
Durham, New Hampshire

SP009 474

July 1975

AGENDA

Title: Simple Techniques for Managing an Innovation

1. Expected Outcomes:

   a. participants will have some information about a simplified Management by Objectives System.
   b. participants will have some experience in developing useable objectives statements.
   c. participants will have some experience with a record keeping system.

2. Procedures

   a. Introduction, description of feedback and recording sheets

   b. Presentation: Managing an Innovation

   c. Work Session, Developing an Objective

   d. Resource Allocation

   e. Recording and Reporting

   f. Work Session, Assessment of a Program

   g. Discussion and Review

   h. Feedback and Evaluation by Participants

3. Materials

   a. Written Discussion of Simple Management System Cycle and sample formats

   b. Sample formats for all components

   c. Bibliography and selected readings

   d. Session Evaluation materials

   e. Work Session handouts
      (1) objective setting exercise
      (2) assessment of objectives simulation

Title: Simple Techniques for Managing an Innovation
(or How to Snooker the MBO System)

I. INTRODUCTION

(1) One thing we soon learn when working with Teacher Corps is that in spite of our many differences, all of us have a similar sense of mission and value: We want our schools to be better and different and we think the kind of teachers we have in our schools does make a difference. Succinctly put, we are in the business of Managed Change. Just using those words together makes us realize that as responsible professionals, we are required to contain our visions in some ordered fashion. The purpose of this session is to provide you with some experience with a simple direct system for managing change. The session is intended to be participatory and to review a complete management cycle. We have designed a series of activities to give you experience with a road map for management of innovation in a school. The pieces of the road map are:

A. Mission
B. Targets for change
C. Innovations
D. Outcomes and Objectives
E. Personnel assignments
F. Dollar allocation
G. Time schedules
H. Recording
I. Adjusting
J. Reporting

(2) We have prepared a recording device for your documentation of the process and content of the workshop. (Handout) The first page of the evaluation handout is a record keeping device for you to use throughout the session. Please fill out question one please: What you expect to get out of this session. (Pause) You will note that we have also included feedback sheets, these are designed to provide you with the opportunity to evaluate the different components of the session. We hope you will hand the feedback sheets in at the end.

(3) The other handout is the agenda for the session. (review agenda) Since we are started, let's just move into Session I.

Process Recording Sheet

1. What I expect to get out of this session:

2. What I got out of the session:

3. What was missing:

4. What I need to get more of:

5. What I can now do on my own:

Feedback Sheet

1) Facility

Accommodations:	poor	1	2	3	4	5	excellent
Location:	poor	1	2	3	4	5	excellent
Workshop Space:	poor	1	2	3	4	5	excellent
Time Schedule:	poor	1	2	3	4	5	excellent

Comments:

2) Presentation Sessions

Content:	abstract	1	2	3	4	5	relevant
Presentations:	confusing	1	2	3	4	5	clear
	theoretical	1	2	3	4	5	responsive
Involvement:	little	1	2	3	4	5	satisfactory
Learning:	little	1	2	3	4	5	great deal

Comments:

3) Work Sessions:

Content:	abstract	1	2	3	4	5	meaningful
Appropriateness:	unrelated	1	2	3	4	5	relevant
Involvement:	little	1	2	3	4	5	satisfactory
Learning:	little	1	2	3	4	5	great deal

Comments:

4) Discussion Sessions:

Content:	abstract	1	2	3	4	5	meaningful
Appropriateness:	unrelated	1	2	3	4	5	relevant
Involvement:	little	1	2	3	4	5	satisfactory
Learning:	little	1	2	3	4	5	great deal

Comments:

5) What I would want to change:

6) What I need next:

2. MANAGING AN INNOVATION

1) This presentation is written from the point of view of a principal. For those of you who are not principals, we hope you can translate for your role in your institution. Since we had to pick one role and one point of view, it seemed that the principal role was the key. That role is the operative one in helping Teacher Corps effectively demonstrate a strategy in a school.

2) From a general point of view, the principal as manager could describe his world as follows (overlay #1). To move from the existing program to any revision requires the principal to manage or arrange all kinds of things:

people time, dollars, facilities, materials, influences,
innovation training, extra people, governance, reports, expectations, etc.

To do this effectively, the principal needs a road map: a formal visible pattern that helps track where he or she wants to go, where he or she is, what she or he has. That attitude is the first step in setting up a formal management system, be it called MBO, PPBS, OD, etc.

3) The basic character of a successful manager is that he or she wants to move from keeping track of all activities at once all of the time to defining what are Inputs, Activity, Outcomes. (Overlay #2) The good manager uses this simple framework to map the pieces he or she is working with. Thus one can connect outcomes and inputs into a continuous framework for managing change from insight to awareness to development to implementation and to outcome. The following applies the framework to what may well have been the way your Teacher Corps project developed. (overlay #3) You will note the long way the series of steps between needs identification and outcomes that respond to needs. In addition, a significant number of outside influences most likely impact your process (overlay #3B). Some key factors are Teacher Corps

characteristics and strategies which are what makes you a part of the Teacher Corps Team. These influences were probably cheerfully accepted.

4) More importantly, though, for a manager are the transformations in the development process to get a proposal operational (overlay #3C). These special concepts are the basics of a formal management system. They are: (overlay #4)

Mission
Innovations
Objectives
Program Plan
Outcomes

5) At this point, it seems important to review what distinguishes a manager from other folk. The following translations are what he undertakes to get agreement on in his school (overlay #5). What the manager is in fact doing is to categorize and define the stages of the development of the Project. The translation steps all need to occur and each can be pursued through different processes. The important factor to recall is that each translation must result in a short written statement agreeable to those who are involved in the development. Loose ends here cause rampant confusion. The key to managing change is to meld the development stages described in overlay #6 with the complete cycle described in Document #1.

6) One cannot manage expectations; one can manage outcomes. The formal management system makes it possible to track where one is in terms of plans and results. The important thing is not control of activity, but rather outcomes. Two points need to be kept clear.

a) expected outcomes are projections and hopes at the beginning of a project. The actual outcomes -- items 8 and 13 in document #1 -- are what the project will be assessed on; not its dreams. The manager needs to not only clarify objectives and outcomes

early, but also to record the actual outcomes and the events that influenced the change in outcomes, if any. Effective management captures these real unusual events and repeats the conditions for success.

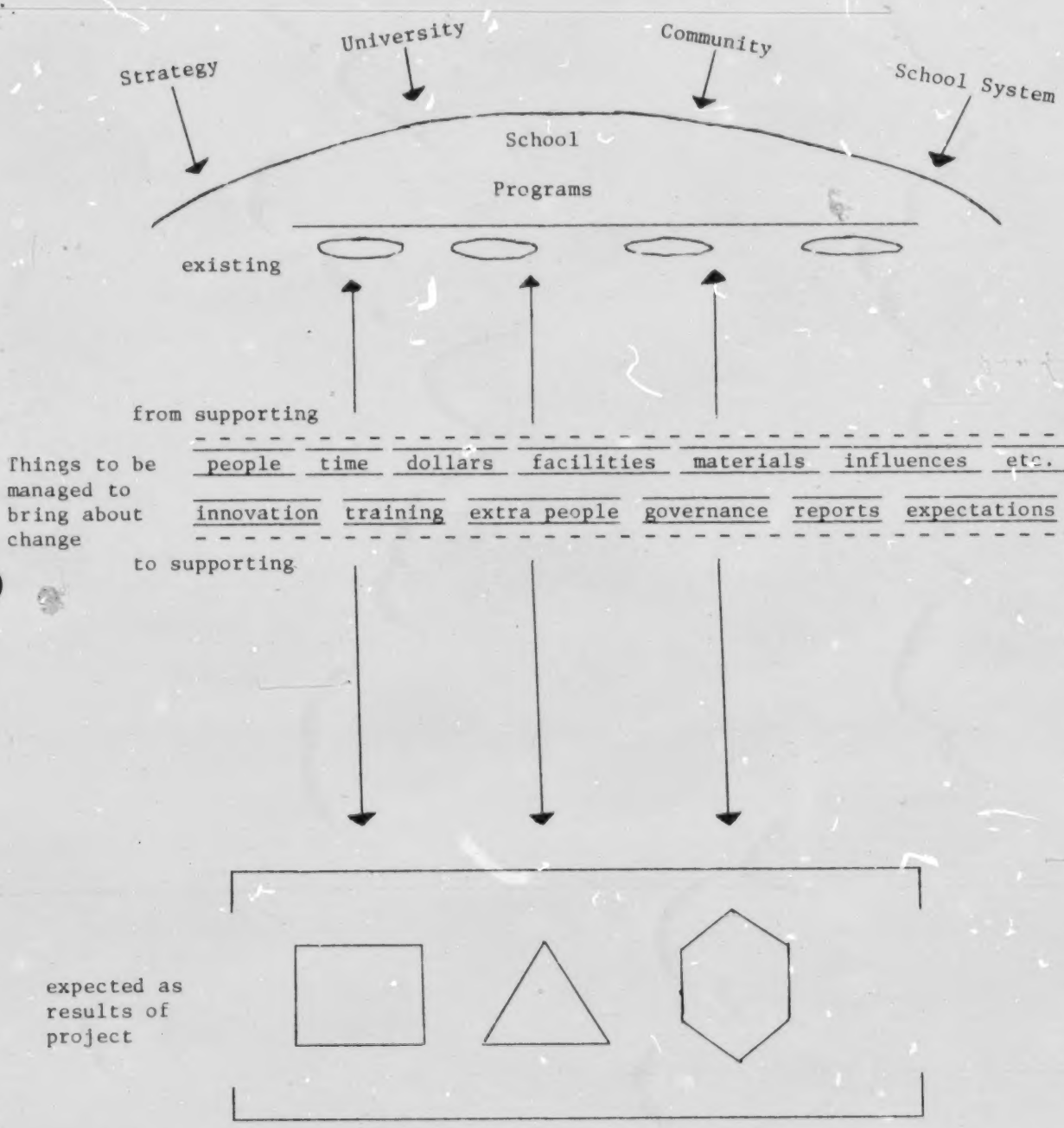
b) personnel (4), dollar (5) and time (6) allocations can be as detailed as one can imagine. The materials presented here suggest broad general outlines rather than specific controlling procedures.

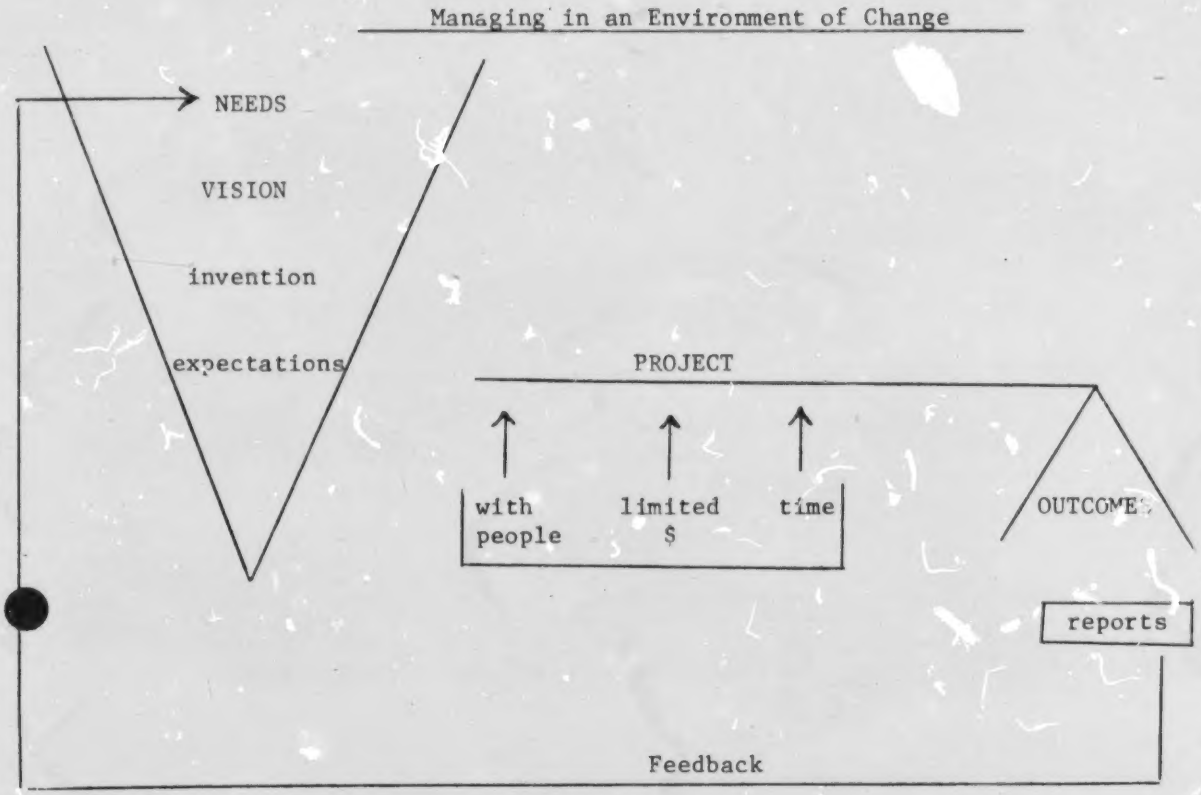
7) A formal management system indicates the interrelation of the objectives, outcomes, innovation, personnel, dollars, time, primarily to allow for teaching and assessing outcomes. How often the actual outcomes assessment is made in a school varies in terms of school calendar, objectives, and personal whim. What is important is that assessment happen, not when.

(Transition to Session II)

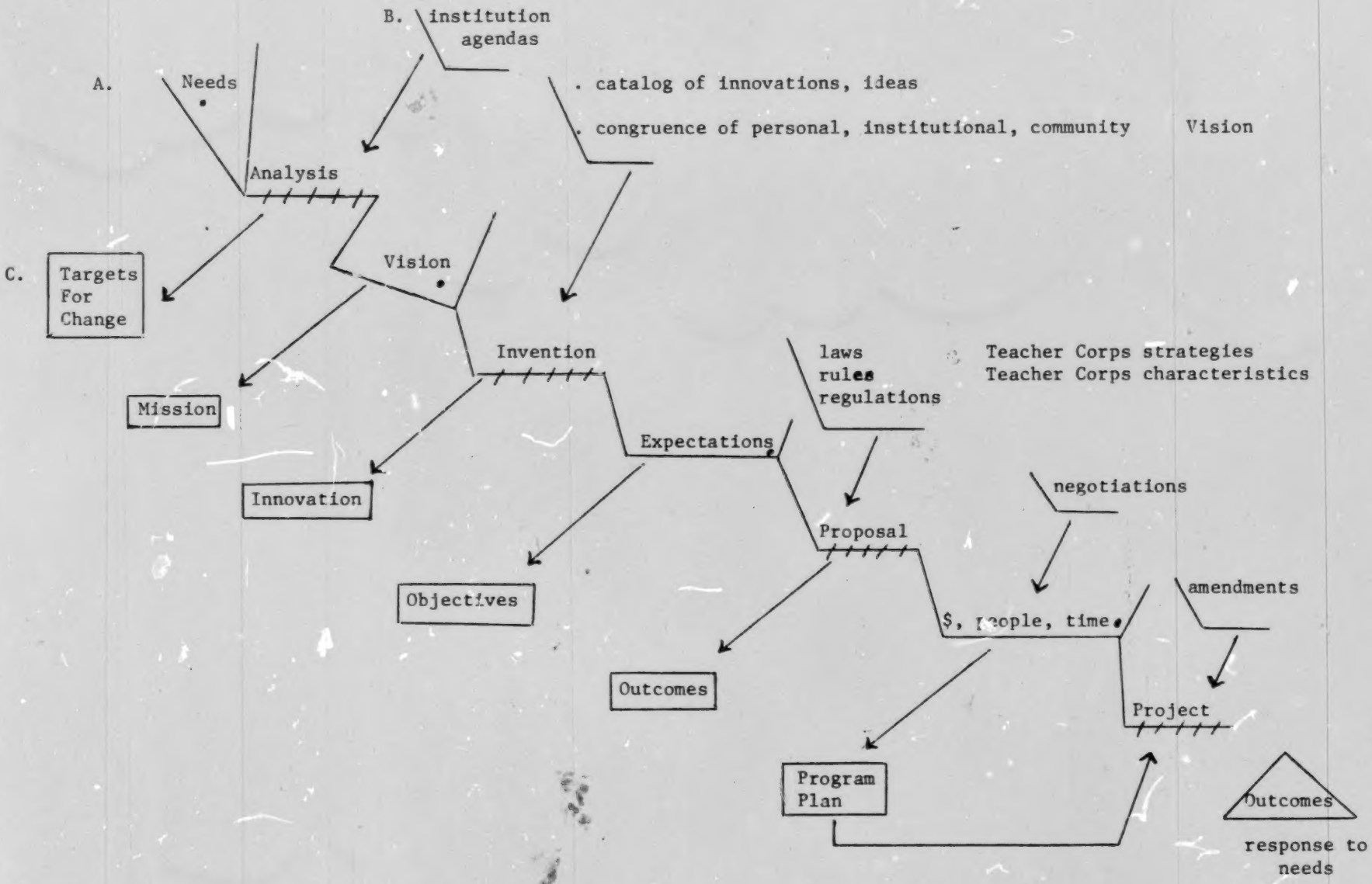
Now that we have described all of the pieces, lets try to develop the key component of the system -- a performance objective.

MANAGING AN INNOVATION IN A SCHOOL

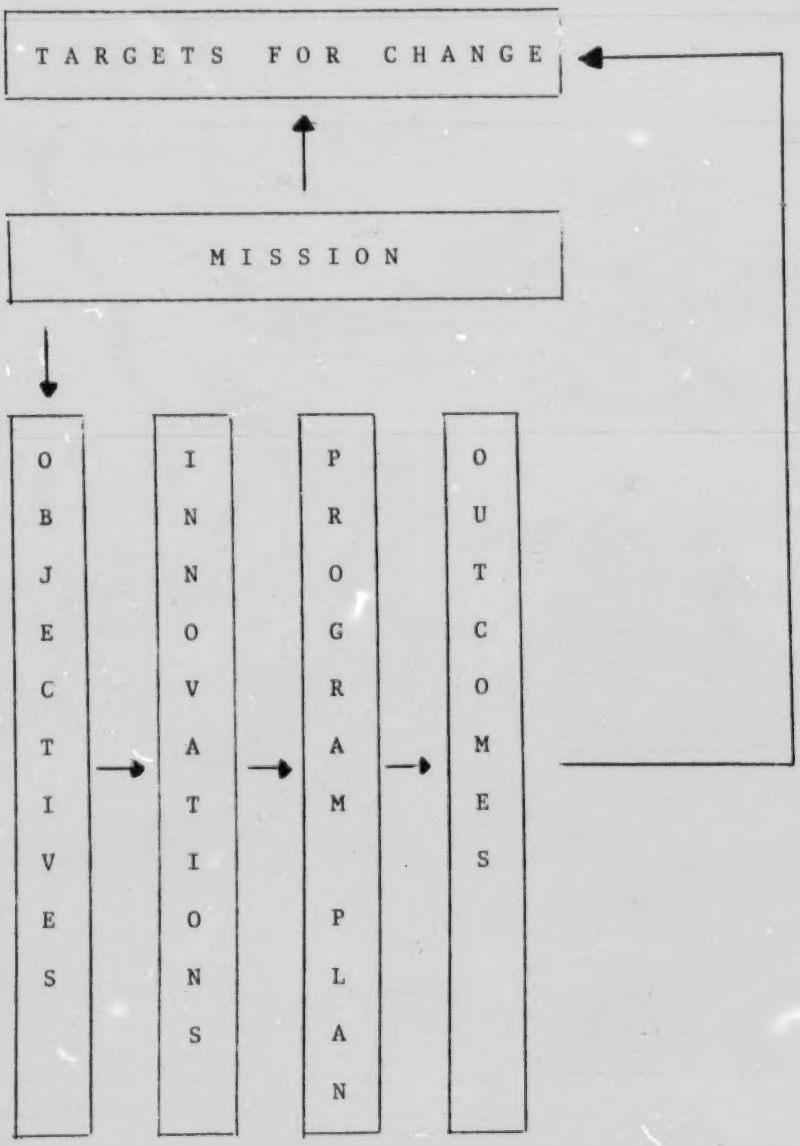



Managing in an Environment of Change
NEEDS
VISION
invention
expectations
PROJECT
with people
limited $
time
OUTCOME
reports
Feedback

Overlay #3


B. institution agendas
A. Needs
. catalog of innovations, ideas
. congruence of personal, institutional, community
Vision
Analysis
C. Targets For Change
Vision
Invention
laws
rules
regulations
Teacher Corps strategies
Teacher Corps characteristics
Mission
Expectations
Innovation
negotiations
Proposal
Objectives
amendments
$, people, time
Outcomes
Project
Program Plan
Outcomes
response to needs

Overlay #4


TARGETS FOR CHANGE
MISSION
OBJECTIVES
INNOVATIONS
PROGRAM PLAN
OUTCOMES

Needed Translations
for a Formal Management System

A. FROM VISION TO MISSION

B. FROM INVENTION TO INNOVATION

C. FROM EXPECTATIONS TO OBJECTIVES
AND THEN OUTCOMES

D. FROM PROPOSAL TO OPERATIONS

E. FROM ACTIVITIES INTO PROGRAM PLAN

Managing an Innovation

1. Translate Vision into Mission
   - A. . define who will be served
   - B. . define principles for service
2. Translate Invention into Innovation
   - A. . define what is going to be done
   - B. . define what already exists that is like what you invented
   - C. . define who is going to do what
   - D. . define who has to make what changes
3. Translate Expectations into Objectives and Outcomes
   - A. . define who will be served
   - B. . define what they will be able to do
   - C. . define what helps to get the job done and what things will block getting things done
   - D. . define how much you hope to do
     minimum - realistic - maximum
   - E. . define when you will check to see where you are and write about it
   - F. . state what you expect to do
   - G. . state what you expect to get out
4. Translate Proposal into Operations
   - A. . clarify outcomes
   - B. . clarify each person's role in getting expected outcomes
   - C. . clarify dollars available to get expected outcomes
   - D. . clarify time available to get expected outcomes
   - E. . negotiate differences with staff and with outside agencies
   - F. . clarify what will be recorded when

G. . clarify how changes will be made and who will decide what

H. . clarify who will keep track of the records

I. . clarify who will write the report

J. . clarify who will approve the report

K. . clarify who will get copies of report

5. Translate Activities into Program Plan

(a) define all pieces of the system

(b) prepare chart leaving space to fill in blanks

(c) define when chart will be updated and amended

(d) define process for establishing actual outcomes at each stage

(e) post Summary Chart

(f)

3. DEVELOPING AN OBJECTIVE

1) Objectives are the basic building block for a formal management system because they provide the organizational pattern for accomplishing the Mission of the School. (See Overlay #2)

2) The difference between objectives and outcomes then is that objectives are ideals or ideas of the organization, outcomes are actual down-to-earth events, products, achievement in learning, or learning to teach.

OBJECTIVES: CRITERIA FOR TESTING THEIR ADEQUACY

Results-Oriented	Is the outcome of the activity described?
Observability	Can the results be seen or verified by others?
Not Currently Attempted	Can the results be given a place in relation to other objectives?
Achievability	Is there a reasonable good probability that the result can be attained?
Time-Dependent	When is the desired result expected to occur?
Conditions affecting results	Have the circumstances likely to affect the achievement of the objective been identified? (positive and negative)
Degree specified	How much is to be achieved?

3) Developing an objective is as simple as A, B, C, D, E.

ELEMENTS OF A PERFORMANCE OBJECTIVE

Audience: who will be affected

Behavior: what will they have to do

Conditions: what resources, constraints exist or need to be available to change behavior

Degree: how much needs to be accomplished - minimum, realistic, maximum

Evaluation: how will you know it happened

Let's try to do one now. Please use Worksheet #1 which you will find on the table in front of you.

Worksheet #1

ELEMENTS OF A PERFORMANCE OBJECTIVE

(a) Directions: In section #1 jot down rough statement for each element of a performance objective. Identify all your audiences before completing the BCDE section of the form. When you take more than one audience, complete a separate form for each behavior you expect the audience to exhibit. In this exercise, complete the reamining parts of section I for the experienced teacher audience in your school or project.

Section I

Audience: who will be affected

Behavior: what will they have to do

Conditions: What resources, constraints exist or need to be available to change behavior

Degree: how much needs to be accomplished - minimum, realistic, maximum

Evaluation: how will you know it happened

(b) Directions: Pull your rough ideas together in the following format:

-SAMPLE-

Given a $5,000 budget and the release of 15 Teacher Corps personnel for 10 training days, 15 teachers and interns in the Smith School will by March 30 each develop learning activity plans for the next month for each pupil containing all ABCDE elements.

The objective will be reached if each Teacher Corps Team has:

	Minimum	Realistic	Maximum
# of learning activity plans	60% of pupils	90% of pupils	for all pupils
areas covered reading	90% of pupils	95% of pupils	all pupils
math	80% of pupils	90% of pupils	all pupils
science	50% of pupils	60% of pupils	70% of pupils
art	60% of pupils	65% of pupils	70% of pupils
music	20% of pupils	40% of pupils	60% of pupils

Summary Statement: _____

OBJECTIVE

Given _____

(someone) _____

will _____

for _____

EXPECTED OUTCOMES

The objective will be reached if (someone) _____ has:

areas of accomplishments	Minimal # or %	Realistic # or %	Optimistic # or %
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

ACTION WORDS FOR BEHAVIOR DESCRIPTIONS

Accept
Account
Acquire
Activate
Adhere
Administer
Allocate
Analyze
Anticipate
Appraise
Appropriate
Approve
Arrange
Assign
Assist
Assume
Audit
Authorize
Change
Changes
Collect
Compare
Compile
Concern
Consider
Contact
Continue
Contract
Contribute
Control
Cooperate
Coordinate
Correct
Counsel
Create
Credit
Decide
Declare
Define
Design
Determine
Develop
Direct
Disburse
Discharge
Employ
Engage
Establish
Evaluate
Execute
Exercise
Extend
Follow
Forecast
Formulate
Furnish
Give
Guide
Handle
Hold
Identify
Improve
Inform
Initiate
Insure
Interpret
Interview
Investigate
Issue
Justify
List
Maintain
Make
Measure
Meet
Modify
Negotiate
Participate
Perform
Plan
Prepare
Preside
Presides
Process
Procure
Produce
Program
Promote
Propose
Protect
Provide
Publicize
Purchase
Operate
Organize
Receive
Reclaim
Recommend
Recruit
Reject
Release
Render
Repeat
Report
Represent
Request
Require
Requisition
Return
Review
Safeguards
Schedule
Screen
Secure
Seek
Select
Serve
Service
Ship
Stimulate
Store
Strengthen
Submit
Supervise
Supply
Tell
Terminate
Test
Transfer
Train
Upgrade
Write

4. RESOURCE ALLOCATION

1) As you have completed the objective setting exercise, two additional pieces of the management system become evident - the expected outcomes and some of the activities. The activities in particular kept appearing as you tried to clarify C - conditions. It was also under "C" that personnel, dollar, and time issues surfaced. The key to effective management is to keep each item separate. Of particular importance in a Teacher Corps project is to identify clearly the innovation selected as the mechanism to implement the objective, whether it is home-grown (developed on site) or adapted from an existing r+d effort.

2) Form #2 gives you some hints about innovation selection and listing. Form #3 gives you some procedures for personnel, dollar, and time allocations. The Control Sheet in particular records in one place all the pertinent information.

- objective
- person(s) responsible
- dollars allocated
- reports and due dates
- authority

3) You will note that the time format is very general. The object is to put on the form only crucial information and to use a different calendar for each objective. We have found that planning events ahead also provides a fix on what materials are needed to back up the event and what reports are due from an event. The simple proposed and actual record of calendar events also helps document and record how outcomes did occur. The simplicity and directness of the calendar makes it possible for everyone to fill out - well, almost everyone.

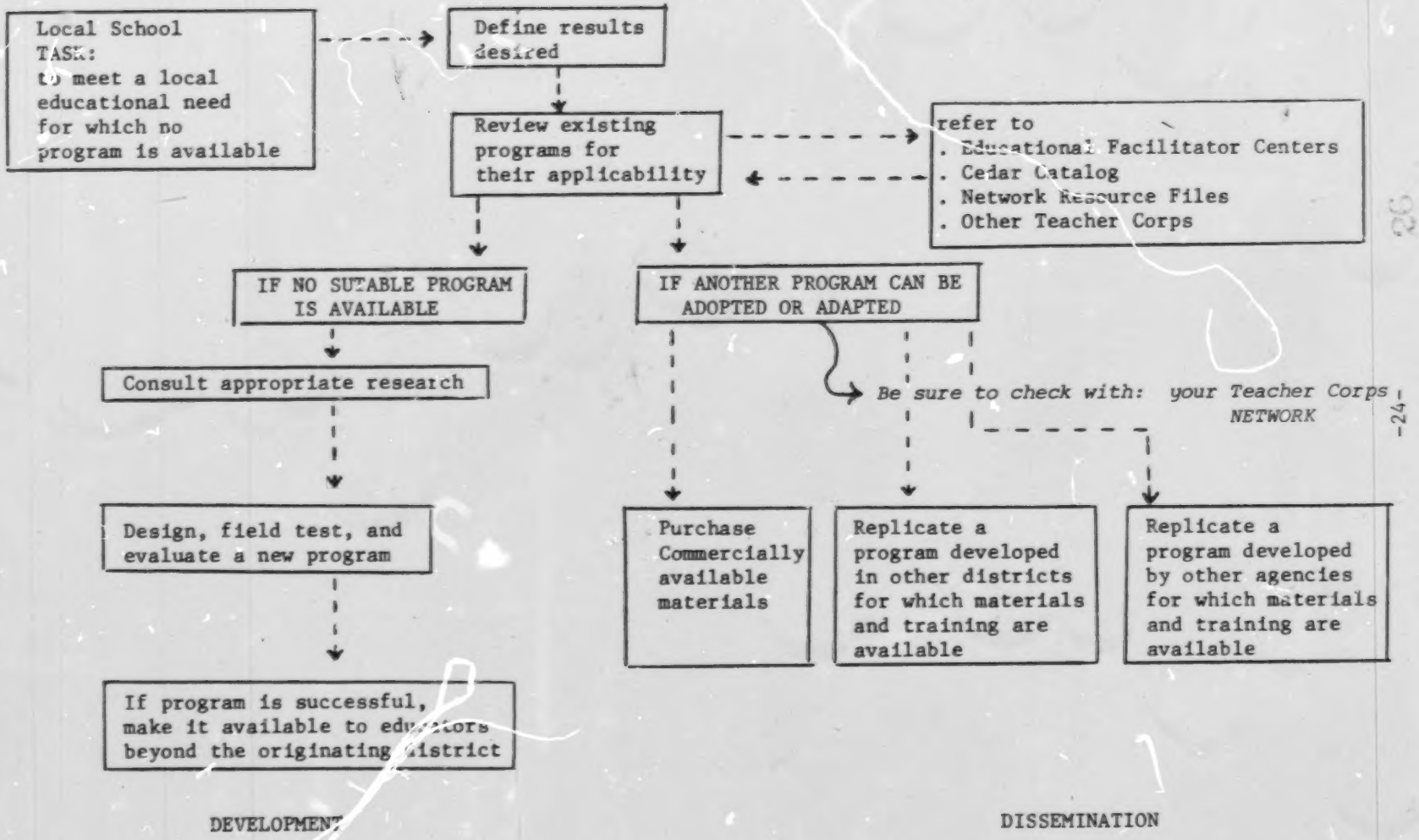
4) The fact is that these forms help plan, organize, and record. That leads to some efficiency over time. More importantly, they provide a record which can be used to explain new solutions discovered in demonstration projects such as Teacher Corps.

Innovation Selection
Form #2

OBJECTIVE

Innovation	Effect on Targets

HAVE YOU CONSIDERED THE ADOPTION OPTION?
ALTERNATIVES AVAILABLE TO MEET A SPECIFIC EDUCATIONAL NEED


Local School TASK: to meet a local educational need for which no program is available
Define results desired
Review existing programs for their applicability
refer to
. Educational Facilitator Centers
. Cedar Catalog
. Network Resource Files
. Other Teacher Corps
IF NO SUITABLE PROGRAM IS AVAILABLE
IF ANOTHER PROGRAM CAN BE ADOPTED OR ADAPTED
Consult appropriate research
Be sure to check with: your Teacher Corps NETWORK
Design, field test, and evaluate a new program
Purchase Commercially available materials
Replicate a program developed in other districts for which materials and training are available
Replicate a program developed by other agencies for which materials and training are available
If program is successful, make it available to educators beyond the originating district
DEVELOPMENT
DISSEMINATION

Personnel Allocation
Form #3

OBJECTIVE

Activity	Person Responsible

127

OBJECTIVE

Person(s) Responsible:

Management _____

Instruction _____
_____
_____

Community component _____

Governance _____
_____
_____
_____

Documentation _____

_____ _____

_____ _____

Dollar Allocation from General Budget

Materials & Supplies _____

Travel _____

_____ _____

_____ _____

Reports and Products Expected Date

_____ _____
_____ _____
_____ _____
_____ _____
_____ _____

Approved by: Signature _____ Date _____

Time Schedule (Actual and Projected)

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY

5. RECORDING AND REPORTING

1) The key to a formal management system is the amending of the Program Plan based on organized records. While it is often interesting to keep track of many small things, a manager usually has to make judgements based on the most important information at hand. The Quarterly Monitoring record (handout) tells only important things:

What happened

What didn't happen

What needs to be changed

Products

2) You will find that you will report only those objectives you find falling below your lowest acceptable level of attainment. For example, the following objective was not met:

Objective	Outcomes	Acceptable Range	Actual
P.R.	Speeches	Lowest-Average-Highest 5 15 303	3

For each objective listed, the speech maker describes:

A.	What happened	Few calls
B.	What didn't happen	No return invitations
C.	What help is needed to resolve the problem	More contacts
D.	What products (documents) were developed	Three speeches

3) If the manager has the pieces of the system in place, it becomes possible, though often not any easier, to decide what among the pieces should be changed.

(a) I the Innovation attempted

(b) P Personnel or their assignments

(c) D Dollar allocation

(d) T Time allowed for getting a job done

(e) O the expected Outcomes themselves

It is only after the areas for decision have been clarified that a revised program plan with revised objectives can be developed.

4) The effort to redo objectives at least mid-point in a project is a neglected but crucial management responsibility. It is only by assessing and revising objectives that the manager, the staff, and the governance body have any way of keeping each other responsive to needs and to realities.

5) As important as revising the Program Plan is the need to report simply and directly to the funding agency or external monitor (Overlay #). The report must be on two pages; one for program, the second for fiscal - if one expects any useful feedback. Reports are rarely read and as rarely responded to. A good manager must insist in negotiations with those responsible for external monitoring; even a note saying Fine or Good is crucial to the effectiveness of the demonstration project.

You will note that the suggested reporting format relates directly to the information already at hand.

(1) Objectives

(2) Activities

(3) Outcomes

(4) Products

(5) Planned Changes

Even without outside reaction, this format serves as a procedure for consolidating the gains made in clarifying and specifying the objectives of the project, and that is the reason for doing all this in the first place - to make things go more smoothly and more realistically in your school.

QUARTERLY MONITORING RECORD

Objective _____

Innovation _____

1. What Happened?

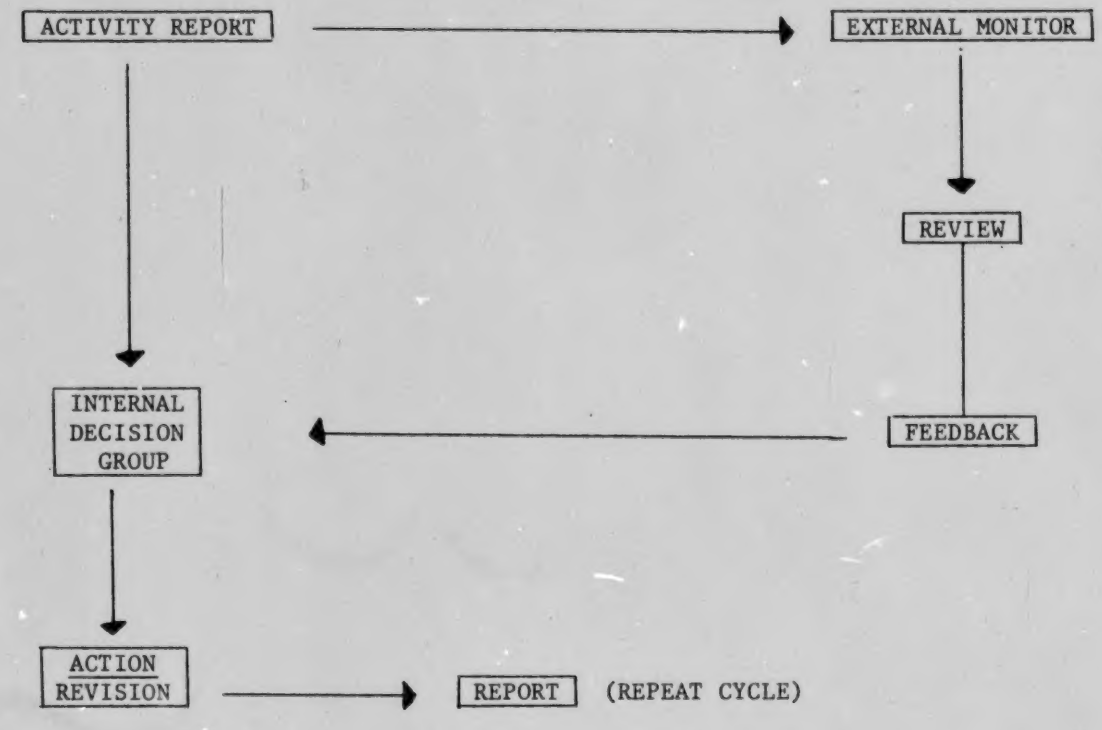
2. What didn't happen?

3. What needs to be changed?

4. Products - Minutes, Documents, Lists, etc.

Report to External Agent

Overlay # ____



Report to Funding Agent

PROGRAM REPORT

Objectives:

Activities:

Outcomes:

Products:

Planned Changes:

This document is backed up by Quarterly Monitoring Record.

FISCAL REPORT

A.	Budget	Expended to date	this period	Remainder
1. Personnel				
2. Materials				
3. Travel				
4. Professional Services				
5. Other				
6. Sub total				
7. Indirect Cost @ %				
8. Total				
13. Trainee Stipends etc.				

6. ASSESSMENT OF A PROGRAM

1) Now that we have reviewed the cycle, it may be helpful to attempt an evaluation. The following case study was written from a series of documents similar to the monitoring record form handed out to you earlier. The purpose of this simulation is not to reconstruct the events of the case but rather to

(1) identify objectives

(2) identify outcomes

(3) make a judgement about the success (or failure) in reaching the objectives

(4) identifying the factors that influenced the outcomes.

Step One: Individually review Case Study

Step Two: Individually complete Assessment Form
Establish formal criteria for success or failure

Step Three: In teams of four, prepare a Revised Objective using attached form.

When exercise is completed, any questions and discussions?

(Transition to Feedback Session)

2) We hope this has been helpful. We would appreciate your comments, suggestions, questions.

Would you please take a few moments to fill out the Feedback Sheet.

Thank you very much.

CASE STUDY

I am principal of a 1200 pupil elementary school (K-6) in a small city. My staff consists of 42 teachers, an assistant principal, a part-time guidance counselor, etc. In 1969 the superintendent and I decided to implement open-concept program for grades 1-3.

We established a teacher study group to examine the existing programs. After much study (3 months), this group indicated an interest in an integrated program for staff development (leading to degrees) and curriculum development operated by a nearby university. I presented their report and its funding recommendations to the School Board for approval. By unanimous vote with very strong support statements, we were authorized to begin program implementation and $10,000 was allocated for this purpose.

I came back to my school extremely encouraged. I reported on my success to the teachers. There was an immediate positive response from the Teacher Study Group personnel. We were off and running. In our emphoria, we may have missed the non-interest and non-participation of certain teachers. Looking back on the event today, I find that I do not recall any negative or cautionary comments from anyone on the faculty.

The Teacher Study Group and I proceeded to contact the school parent association and to contact the university for planning program implementation. The next three months were filled with excitement, energy, negotiations, discussions, clarification. A team of 12 people spent the summer training and preparing for introduction of the program in the school in the Fall. The program showed such promise that the university attached 12 student teachers to the project for the Fall.

In the Fall, school opened. The open concept 1-3 seemed off to a great start. Children and teachers felt good about the new kind of learning program. Suddenly, the city-wide teacher association announced that open-concept school programs were just another way to reduce staff need and did not show promise of quality program. Two parents took up the issue and complained loudly.

I held a meeting with the 1-3 teachers and student teachers to decide what to do. I invited the Superintendent to attend. He strongly supported our activity. Those teacherspresent indicated interest and commitment to continuing the program development. We then met with the parents of all of the children in 1-3 and with the school parents' association. All agreed on continuing the program and on a public information and support development activity. We worked hard during the next three months and the sniping stopped.

Then, the Superintendent resigned to take a better position elsewhere. I was due to report to the Board on the progress of the project. We (I, teachers, student teachers, university trainers, and parents) contacted all Board members and explained the project, describing the impact on learning it was having. None asked for further information. One came to visit the school (our ward respresentative). The Acting Superintendent voiced support and encouraged us to present our program to the Board.

At the Board Meeting, 20 parents were present, 8 of the 1-3 teachers, and 6 student teachers and the university trainers. The Teacher Association representative was present and one of the parents who had attacked the program. We presented our report to the Board. The Teacher Association representative complimented the report but made no recommendation for action. The parent did not speak. The Board voted 4-3 against continuing the project.

What happens next?

ASSESSMENT OF INDIVIDUAL OBJECTIVES

OBJECTIVE	OUTCOMES	DEGREE OF SUCCESS IN REACHING OBJECTIVES	FACTORS OF INFLUENCE

OBJECTIVE: _____

_____

SEQUENCE OF ACTIVITIES	PERSON(S) RESPONSIBLE

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MANAGEMENT BY OBJECTIVES

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. Introductory Workbook for Department of Education Personnel	Roland Goddu, Richard Gustafson Stuart Pickard
. Management by Objectives - The Current State of the Art	George S. Odiorne
. Evaluation in a Management by Objectives System	Roland Goddu

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MANAGEMENT BY OBJECTIVES - THE CURRENT STATE OF THE ART

During the sixties Management by Objectives (MBO) was discovered widely and changed from a narrowly applied kind of criteria development for Performance Review into a General Management System.

Origins:

The organizers of large corporations in the last half of the 19th century learned some painful lessons about management: 1. It was a giant feat to organize a large organization, and 2. It was something else to manage it profitably for survival.[1]

What they learned and many modern conglomerators have not yet learned is that no individual can direct all the activities of a large organization, but if he can control results, he indeed can manage even the largest.

Peter Drucker, whose original studies were in General Motors Corporation, noted this distinction[2] spelled the idea out clearly in his lectures at New York University in the forties, and published it as a chapter in his Practice of Management in 1954.[3]

The application to a narrow useage, that of establishing results oriented appraisal systems where stated goals replaced personality traits as appraisal criteria, occurred in a number of large corporations. It was applied in General Mills, Inc. in 1955,[4] an application noted by McGregory in a well-known article in 1960 in Harvard Business Review.[5] Likert also noted it as a means of implementing participative management at about the same time.[6]

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[1]Dale Ernest, The Great Organizers, McGraw-Hill, 1960.

[2]Drucker, Peter, The Concept of the Corporation, New American Library, New York, 1964.

[3]Drucker, Peter, The Practice of Management, Harper, 1954.

[4]Balch, D. E., AMA Business Report.

[5]McGregor, Human Side of Enterprise, McGraw-Hill, 1960.

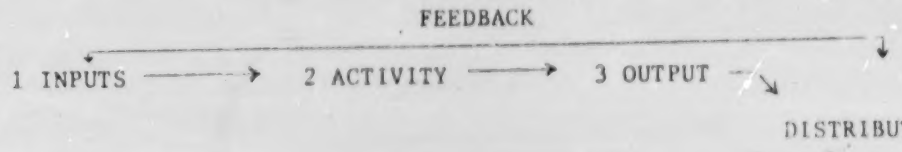
[6]Likert, R. New Pattern of Management, McGraw-Hill, 1961.

Yet, in such a narrow context it sometimes failed to stick. Sometimes it was seen as another Personnel Department gimmick. In other cases a change of management caused it to exit with the old guard. It was this single-use which comprised its greatest weakness.[7]

Schleh, a consultant who made the commercial mistake of being ahead of his time, has treated it as a general system of management.[8] Odiorne, following five years of monthly seminars for executives at Michigan published Management by Objectives - A System of Managerial Leadership in 1965, which captured the readership among the executive readers.[9] This book ties the MBO idea to the systems approach. It has been through fourteen (14) printings including foreign between October 1965 and June of 1970. Numerous other books and articles have followed.[10]

The Systems Approach:

Of the numerous kinds of "systems" which could fall within a General Systems Theory, the cybernetic-or feedback-system is usually identified as the most typical.[11] Among the applications of this is that of the economics of the organization. Three elements make up such a system.



Inputs are the resources committed to an idea to make it a tangible, going concern. They include capital (fixed, working, cash, receivables, inventories) labor, and materials.

Activities are the behaviors of people, designing, making, selling, keeping books, engineering, bargaining and the like which add value (presumably) to the inputs.

Outputs are the goods and services, hardware and software which come out of the system. These outputs are more valuable than all of the inputs which were used up in their making and a value added can be computed.

This value added, is the profit, the need being filled, the purpose for the INPUT BEING COMMITTED, AND THE ACTIVITY CARRIED OUT. Two ways of disposing of this surplus value are customary: (1) They are fed-back into the systems, and (2) they are distributed to the beneficiaries of the system as dividends, learning, satisfactions, benefits, needs met, and the like.

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[7] NICB, Managing by Objectives, New York, 1966.

[8] Schleh, E., Management by Results, McGraw-Hill, 1969.

[9] Odiorne, George S., Pitman, 1965.

[10] See attached Bibliography.

[11] Boulding, K., "Toward a General Systems Theory", Journal of Management Science.

While this mini-course in the economics of an organization as a system is instructive as a map, it is also a diagram of the traps for managers and other people who are part of the system.

The easy trap is for one involved in a system to become emotionally over attached to one element of what must be a three-element system.

1. Some become input obsessed and spend their time preventing expenditure. (Think of the man who will disapprove your expense account.)

2. Others become output fanatics and heartily resist considering whether the inputs and resources are adequate, or the activities possible. (Think of the desk pounder and "I demand results not alibis" type.)

3. Far more prevalent, however, is the activity obsessed person. He is competent, professional, often dedicated but has lost sight of inputs used up, or even results sought.

Thus, in system terms Management by Objectives is a system which begins by defining outputs and applies these, outputs, statements as criteria to judge the quality of activity (behavior) and to govern the release and effectiveness of the inputs.[12]

In more ordinary language MBO is a system under which the manager and subordinate sit down at the beginning of each period and talk until agreement upon job goals are achieved. During the period the subordinate is given wide latitude in choice of method. At the end of the period the actual results are jointly reviewed against agreed upon goals, and an assessment of the degree of success made. The process is begun again.

What, MBO Should Accomplish

As a result of this procedure several normal benefits of value to the organization and the individual should be made more likely.

1. A natural tendency toward "Goals Displacement" will be alleviated. There is some research which tends to show that in human organizations a normal and perhaps natural (at least an explainable) tendency exists for people to start out toward momentarily clear goals, but shortly to become so enmeshed with activity that the goal is lost.[13]

   In its most aggravated form the "activity" management becomes a matter of deep rooted procedures (as with salary administration, job descriptions, etc.) and attempts to revert back to basic purposes meet with strong resistance. (Do it my way.)

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[12]Odiorne, 1965.

[13]Merton, R.

MBO from the top management perspective is a direct attempt to build into management systems an unremitting attention to purpose.

2. It should clarify role conflict and ambiguity between individual managers and subordinates.

There is evidence that, left to their own devices, the average manager and subordinate manager are not apt to be in agreement about the subordinate manager's responsibilities in terms of outputs for any given period of time ahead.[14] Under such a lack of agreement it becomes impossible for the subordinate to "succeed" with corresponding ill effects to him in pay, bonus, promotion and recorded performance reports. Even further ill effects ensue when coaching to "improve" him probes matters such as personality, attitude, motives, background or similar proposed explanation of "failure."

MBO attacks directly the gap of expectations and directly defines "success" in specific output terms.

3. MBO should be causally associated with overall success of the organization.

Drucker has noted that in leading corporations, General Motors, Ford, IBM, GE, where size has required divisionalized forms of organization, "Management is Management by Objectives."[15] My own prolonged observations in leading firms is that in the more successful firms (they achieve charted goals) more people are aware of their goals than in less successful organizations. The Sears manager knows his goals better than the failing small merchant.

> Participative management is not as uniformly present but is perhaps more possible under MBO than under intuitive or autocratic centralized management. This style is discretionary but in many kinds of organization (where the people have been taught to expect it) it is mandatory to avoidance of disruption.

Clarity of objectives between all links of individual managers is more likely to produce cumulative clarity of objectives

> Thus, MBO should improve overall organization performance and increase the level of participation.

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[14] Maier, N.R.F., L.R. Hoffman, J.J. Hooven, and W.H. Read, Superior Subordinate Communication in Management. AMA Research Study #52, 1961.

[15] Drucker, Practice of Management, 1954.

4. When an individual is clear upon his own job objectives, his performance improves over where he is not clear.

It is to be expected that individual performance will improve when his goals are clarified, without seeking to achieve directly other side effects, even though they might well be predicted also.[16] The questions of motivation, attitude, enthusiasm and the alleviation of barriers to such activating forces I must leave to others.

MBO should achieve such individual improvement and growth.

The assumption here is an important one. MBO should be both functional (gets the job done) and developmental (helps the individual grow).

This congruence is vital to the survival of our economic system and the social and political system so intimately associated with it. If individual growth and corporate success were necessarily antithetical, the system could be self destructing.

In adopting MBO as a system we recognize that organizations create products and produce people who are workers as well.

MBO thus appeals to higher ranking, profit oriented chief executives and to humanistic, personnel and developmental staff persons.

Emergent Applications of MBO

Among the chronic areas of concern in administration to which MBO is being applied are the following:

1. Management Strategy. The system of five year (or multi-year) plans, adjusted annually takes on immediacy if there is added to it, as an integral part of such planning, the achievement of one year commitments and quarterly reviews through MBO.[17] Both the multi-year plan and the MBO are parts of a single aggressive and humanistic strategy of administration.

16

17 Schleh, 1969.

2. PPBS in Government. In the Federal establishment since 1965 (Executive Order 66-3) the use of Program Budget Management has been mandatory.[18] This system calls for an adaption of multi-year planning with one year commitment and quarterly reviews for all agencies and departments of Government. For most administrators and professionals this implies that MBO will be the system used.

3. Budgeting and Accounting. Changes in accounting systems ("responsibility accounting") and extension of accounting to previously untouched areas ("Human Resource Accounting") have been closely allied to MBO.[19]

4. Changes in Personnel Administration Practices and Procedures to Reflect MBO. In Addition to Performance Appraisal/Selection by Objectives. A system in which desired job outputs become the basic criteria for selection has been described and is being experimentally applied.[20]

Salary Administration. The restructoring of job descriptions along the lines of responsibilities and outputs has already become viable in the Accountability System widely used by the late Ned Hay and his associates and provides a most logical rationale for the "Job Cluster" phenomena described by Jay Otis.[21]

Training by Objectives. Much of the new hard technology of training is rooted in definition of training goals in behavioral terms.[22] In education Mager has proposed a reconstruction of teaching in his approach to defining educational objectives.[23]

The insights which come from application of an output oriented system of management have not yet been fully explored, described or tested. Its possibilities are great.

The Problems Ahead in MBO

The major area for productive study and development seems to be most heavily in those positions identified with the management of intangible outputs. These are normally identified as "staff" positions

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[18]Executive Order 66-3, October, 1965, Washington, D.C.

[19]Bullock, "Responsibility Accounting - A Results Oriented Appraisal System", Management of Personnel Quarterly, Ann Arbor, Michigan, 1966.

[20]Odiorne, "Personnel Administration by Objectives", Irwin, 1971.

[21]Otis, Jay, "The Job Cluster Method".

[22]Odiorne, George S., Training by Objectives - An Economic Approach to Management Training, MacMillan, New York, 1970.

[23]Mager, Robert F., Preparing Instructional Objectives, Palo Alto, Calif.: Fearon Pub. Co., 1962.

but would include all of the professional and service occupations including research, education, and social service occupations. The fervent attachment of the persons employed there to activities seems to be the major barrier to their solution. If they were convinced of the merits of so doing (or the motives of those who propose it) they have ample capability to define their own objectives with great skill and clarity.

The most successful approach to defining staff outputs to date have been made by Juran.[24] His proposal for classifying staff outputs in the categories of (1) advice, (2) service, (3) controls, and (4) research, lend themselves to specifying goals.

It requires that the staff department view itself as a procurer and seller of softwares which are made and sold to internal captive customers. Such a perspective removes much of the ambiguity attendant upon activity-management, looping constantly between inputs (we need more budget) and activity (let's fool around with this idea) and back again.

Obviously, it is easier to define output goals in production and sales and what was done for a long time before MBO was described. In staff positions we miss the natural discipline of things to be counted. Therefore, it is much more necessary that we work consciously at defining softwares as goals and construct an ordering of values which describe the conditions which could exist for all possible levels of output.

The Problem of Ordering Criteria

While some insist that every objective must be stated in quantitative terms, experience is revealing that not every area of a business lends itself to such specificity. Staff work, research, and service professions often seek goals which can only be described or if measures are forced upon such goals they are meaningless if not diversionary from real purposes.

Yet, an objective which has no criteria to describe all of the possible outcomes, or at least those which describe the conditions which exist if the goal if fully achieved, not achieved at all or satisfied are possible even in the most intangible areas.

Certainly the industrial psychologist has great skills here. The wording of attitude and opinion questionnaires, the classifying of job difficulties with salary administration elements, and the prescription of value ranges in tests are all more complex and offer much in the MBO process.

To me it seems like a fruitful frontier for the application of the skills of the psychologist.

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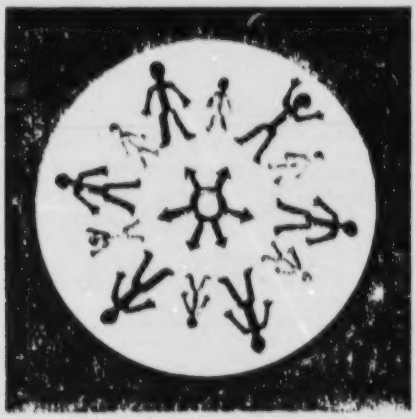
[24]Juran, Jos., Managerial Breakthrough, McGraw-Hill, New York, 1964.

EVALUATION IN A MANAGEMENT BY OBJECTIVES SYSTEM



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May 1975

EVALUATION IN A MANAGEMENT BY OBJECTIVES SYSTEM

1. Few project directors have had a clear vision (charge) from their superiors, from the organization (school), or from their peers. Therefore, it is only reasonable that most of us manage by instinct for survival and growth rather than in any organized manner. This generalized assumption is supported extensively by a review of the directives and alternatives suggested by friend and foe alike. Everyone has recipes based on experience, expectation or emotion.

2. Few project directors have a clear notion of the outcomes for the persons they are expected to direct: team leaders, coordinators, instructors, teachers, assistants, support personnel, janitors, secretaries. Therefore, it is only reasonable that most of us manage by the laws, rules, norms that have been codified to control the activity of each person in the organization (school or college). Collective bargaining has reinforced the application of rules and regulations as normative.

3. The project director, because of his role, has most visible the activities of the organization. Thus he/she focuses on these - measuring them, analyzing them, controlling them, increasing the pressure for efficiency of activity.

4. On the other hand, some practice indicates that more impact can occur if the project director does not standardize activity but sets productivity standards for individuals or groups to attain - e.g., a team teaching arrangement, programmed instruction materials, a listing of community resources, etc.

5. We propose that project directors take a special vision of their jobs. Project directors are in an organization. In the organization they are <u>middle managers</u>. As middle managers they have a rather uncomplicated set of objectives:

   (1) assuring a supportive climate;
   (2) assuring the maintenance of a quality standard of teaching and learning;
   (3) installing those procedures and innovations which will simplify and clarify the operations of the organization;
   (4) encouraging growth and productivity in their unit.

6. Project directors have definite organizations to negotiate these outcomes with. While the chief operatives in the school are teachers, there are other energies which must be tapped to support the activity that can assure higher quality outcomes.

<u>Resources</u>:

1. dollars budgeted for school operations
2. physical plants
3. support personnel
4. interns
5. team leaders
6. cooperating teachers
7. teachers
8. principals
9. parents
10. community
11. students
12. school administrators
13. instructors
14. college administrators

7. It is these resources that the project director must connect to outcomes so that through some activities value can be added to the resources.[1] (cf Chart I) The project director manages the complete set: Resource, Activity, Outcomes, under sets of laws, regulations, directives, lay-ons, etc.

(Insert charts here)

8. The project director makes visible expectations and objectives and allows the freedom of activity within a set of norms, rules, regulations, organization patterns. It is possible to negotiate what will result from the activities and the allocation of resources. It is possible to negotiate an agreement about activities which will try to capture additional resources, to increase productivity - e.g., (a) the number of children taught at a given cost (differentiated staffing), (b) the access to specific instructional material by individual learners (individualized (programmed) instruction), (c) the form of instructional (peer) support (team teaching), (d) the ambiance for "work" (open space).

9. You will note that it is in this negotiation for additional and different resources that most education innovations have quite appropriately been developed. The effective implementation and adoption of innovations has in part come from the insistence on the part of the innovator that the innovation itself be seen as an outcome. The innovation is simply activity of a different type and quality. The expectation remains valued added to the outcomes: teachers with _____, students with_____, support personnel with _____, project directors with _____, the school with_____, the school system with _____, the society with _____, the community with _____.

10. While it is quite simple to see all of this in terms of quantity: e.g., teachers with 5 additional validated teaching units or children with 12 months of additional reading skill acquisition, it is crucial for the project director to establish some quality expectations also, e.g., teachers with 20% more "open" contacts with parents and with other teachers, children with the ability to make 10% more independent, responsible decisions. Since we have never specified these quality outcomes (some of which are affective), it is at this point that many applications of a system break down. "Since it hasn't been done where will the support come from to prove (defend) assure folks that this is the right idea," most say.

11. The only way to install a results-oriented management procedure is to do it. Year one will only establish a base line for the future. As in any innovation, it will take at least five years to get from beginning to end. Year one will provide an experience (1) with stating the outcomes, (2) in inventing a simple, direct, monitoring system, (3) in establishing some standards for procedure and for expectations.

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[1] It is important to note that the measure of accomplishment is a change in the value of the outcome factors, not of the activities.

12. Management and supervision monitoring activity does not focus on the quality or efficiency of a list of activities. Rather, the manager and supervisor validate progress in reaching agreed to outcomes. The project director will not check out if a procedure is being implemented in some standard fashion, but rather whether the "outcomes factors": teacher, student, etc., are being affected in the agreed to direction in practice.

13. The implementation of a management and supervision by results approach requires:

    a. Agreement on a Statement of Mission (where will you be at some future point if everything goes well.)

       - Some find a five-year target a reasonable future point;

       - This statement should not exceed one page or include the conditions that the reaching of the mission assumes and requires, and from whom commitment is required/expected.

    b. Agreement on a List of Resources, List of Rules-Regulations-Norms, List of Organization Patterns, List of Operatives (what are the pieces of your environment?)

       - Some find organizational handbooks useful, others find pictures (flow charts) useful, some find organization charts helpful.

       - Each statement should not exceed one page for each listing.

    c. Agreement on the Programs operated by the Project.

       - It is usually helpful to categorize objectives as:

         - Normal operations
         - Problem Solving
         - Innovations or New Ideas

       An established operation will have 80% in Normal, 15% in Problem Solving, and 5% in Innovation. The more problem solving or innovation objectives there are, the more one can expect not to have outcomes match objectives.

       - This list should not exceed one page. The component parts of each program should be listed. Be sure to list the activities that distinguish this project from all others.

    d. Development of a summary chart of actual status of the organization. (cf. Chart II)

    e. All the preceding provides the frame of reference for developing the Expectations and Standards for the Project. (cf. Chart III)

       At this point the project director and the project personnel describe what will be the quality and quantity value added to all the outcomes for the coming year. The individual operatives (people who take the resources to get the outcomes out) develop their individual expectations and standards statement. Some use the following format.

PERSONNEL OUTCOMES FORM

NAME: _____

Program: _____

_____

Outcomes: _____

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Responsibilities:

(1) Teaching (or Supervision, Secretarial, Maintenance, Assistance)
quantity

quality

(2) Organization support (committee/planning work)
quantity

quality

(3) Student support (advising)
quantity

quality

(4) Service (to school, system, community)

(5) Professional Advancement (research, professional conferences, workshops)

(6) Personnel Development

(7) Reporting Procedure

f. The project director negotiates with superior and OE for resources, rules, norms, regulations changes, organization pattern, operatives and assignments, programs and other approvals needed to implement agreed upon programs and objectives.

g. The project director reports results of activities of team leaders, support personnel and other operatives.

14. The Process described above can be implemented in many management or supervision styles. It does require, though, that what is looked at is not the individual activities, but the outcomes. Evaluation then is not in terms of the ideal or theoretical character of an activity but in terms of what children learn, teachers accrue, the school gains, interns learn, the team leader activates, the community develops, the college adapts.

15. Evaluation of an individual requires

    a. agreement on outcomes

    b. agreement on standards to judge outcomes

    c. agreement on records of outcomes

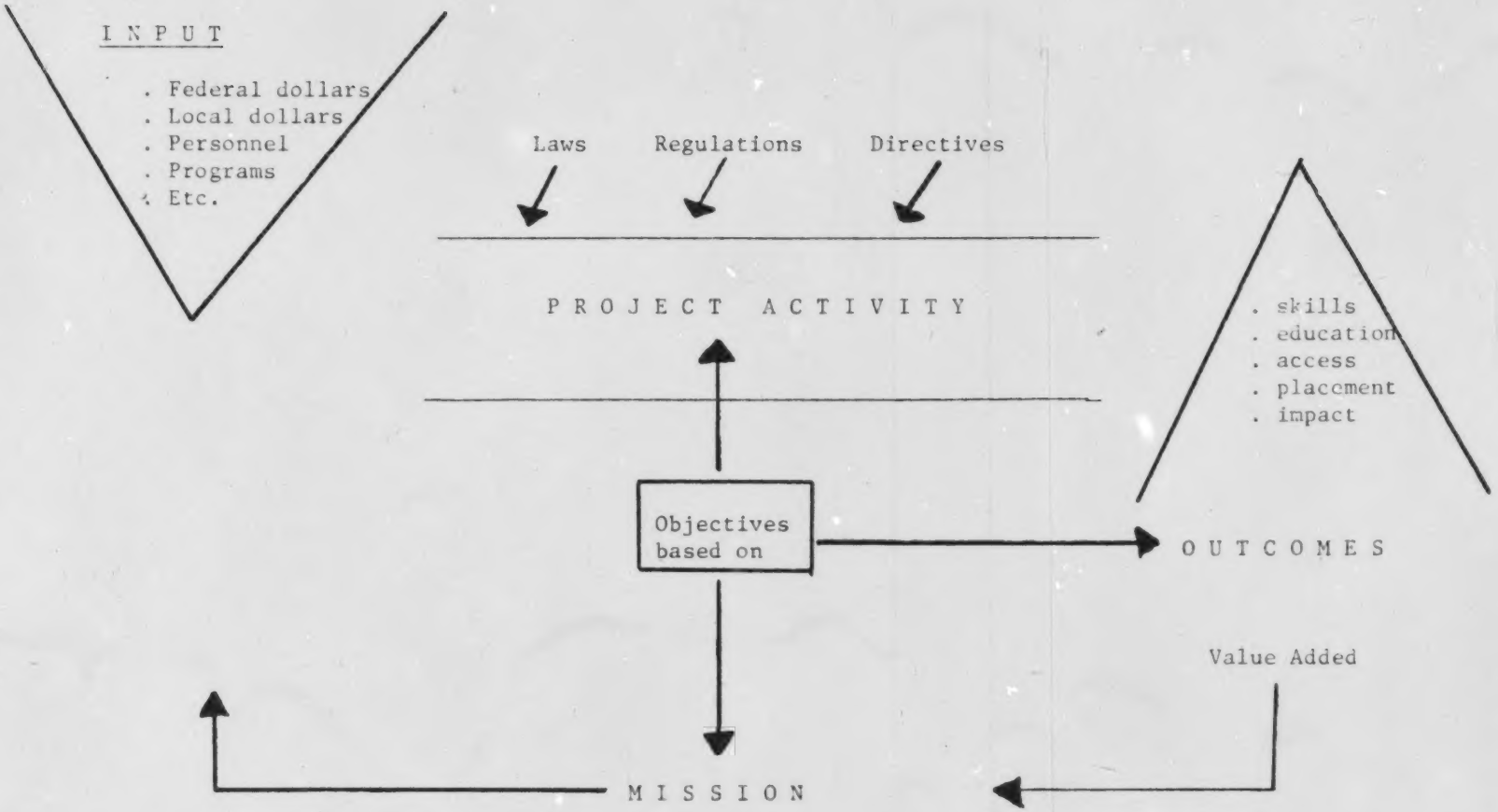
    d. agreement on process to analyze outcomes

    e. agreement on process for adjustment of expected outcomes

    f. agreement on process for confrontation

CHART

BASIC MBO SYSTEM



SUMMARY CHART

MISSION

TARGETS FOR CHANGE

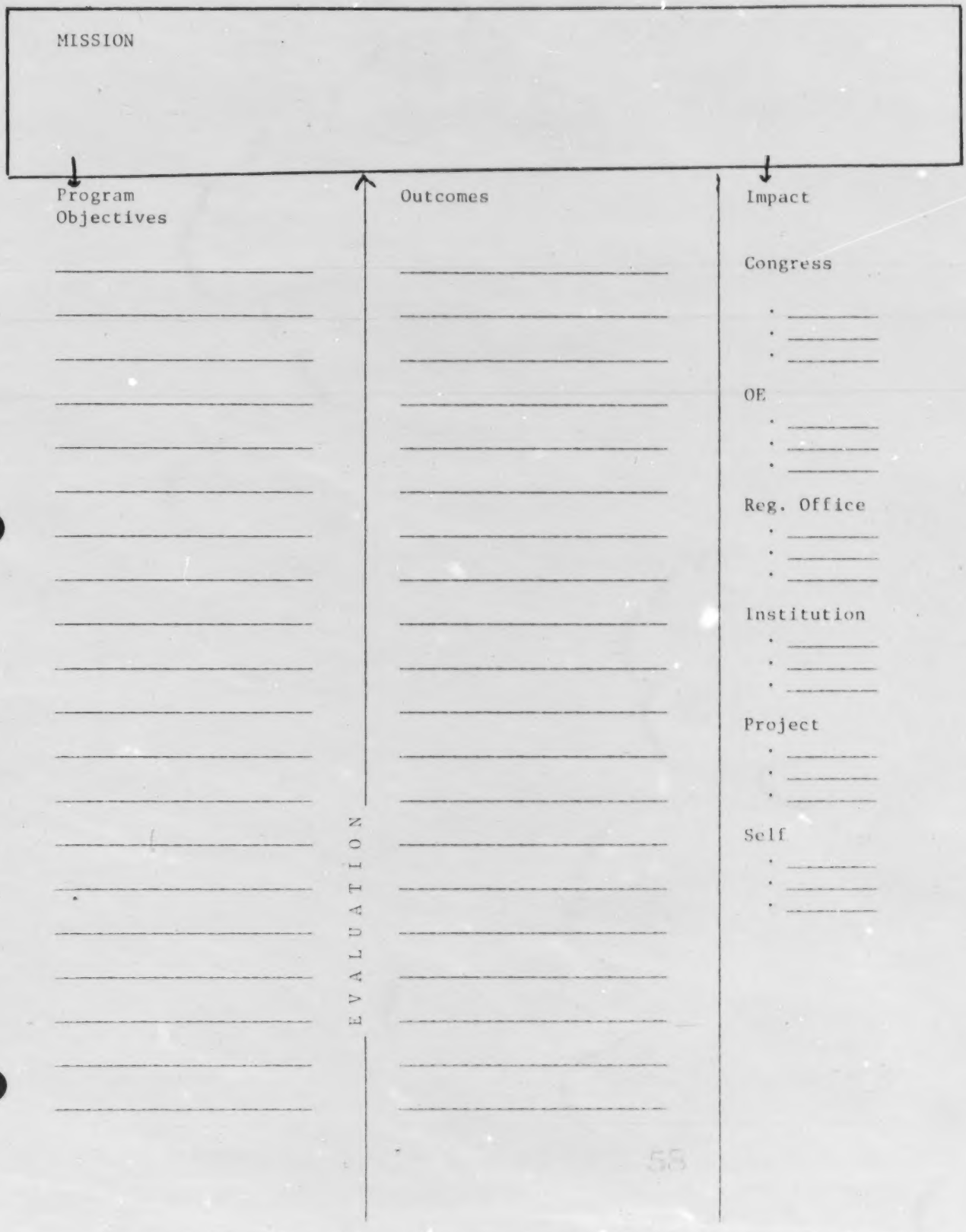
Persons

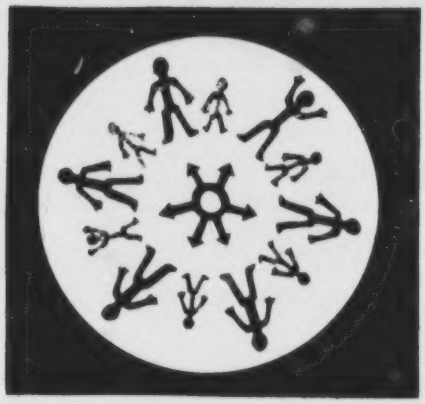
Systems

PROGRAMS	OBJECTIVES	RESOURCE ALLOCATION			ACTIVITIES	OUTCOMES
		$	Staff	Time		
SPECIAL PROJECTS						

A Performance Management System

CHART III





FORMATS FOR ALL COMPONENTS

A. Targets for Change

B. Developing a Mission

C. Selecting Innovations

D. Setting Objectives

E. Program Plan

- Personnel Allocation
- Dollar Allocation
- Time Allocation

F. Monitoring Outcomes

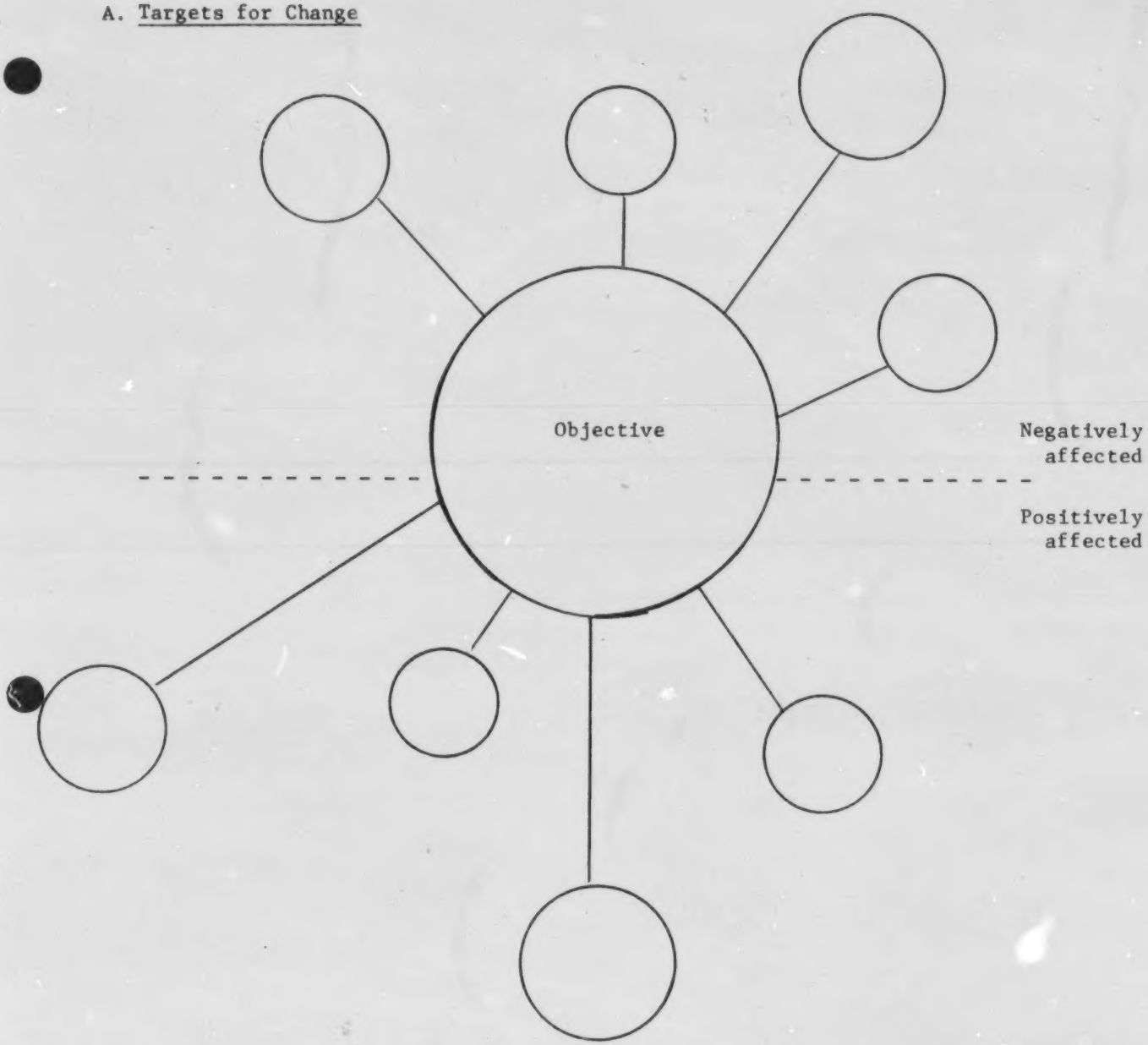
G. Skills Evaluation

New England Program in
Teacher Education

Roland Goddu

June 15, 1975

A. Targets for Change



1. enter persons, programs, institutions, or factors which can be affected by objective.
2. enter most easily affected closer to circle.
3. select no more than three targets.

B. Developing a Mission

Section 1: Answer the following questions

1. If it really succeeds, what will the project accomplish?

2. What special directives have been given to the project?

   a) by the project advisory group?

   b) by the School System?

   c) by the University?

   d) by the Community?

   e) by the Teacher Corps?

3. What three things make the project different?

Section 2: Make a rough Mission Statement

Goal: _____
(Action) (Program)

_____
(population) (place)

Special Characteristics: _____

_____

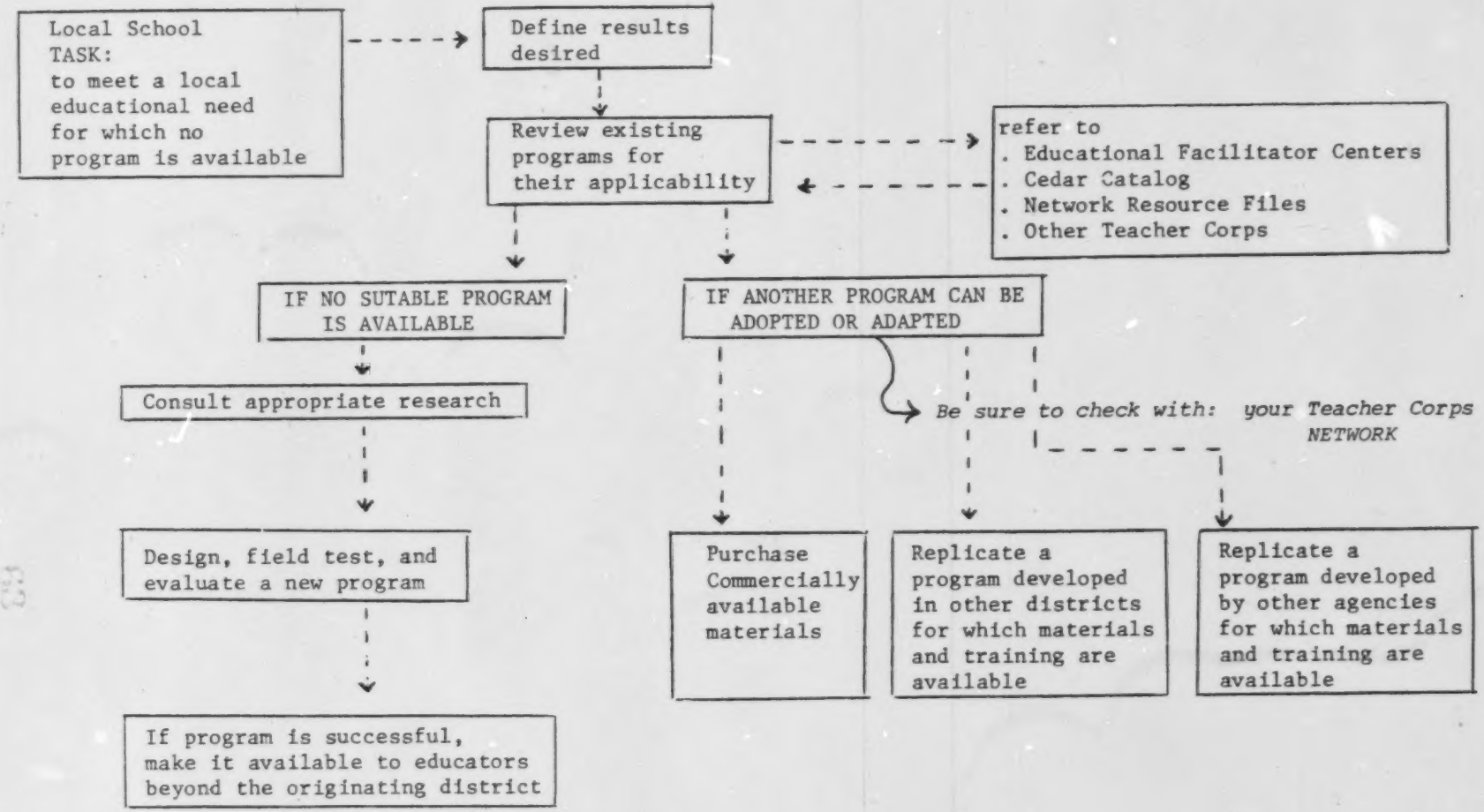
_____

C. Selecting an Innovation

OBJECTIVE

Innovation	Effect on Targets

HAVE YOU CONSIDERED THE ADOPTION OPTION?
ALTERNATIVES AVAILABLE TO MEET A SPECIFIC EDUCATIONAL NEED



D. Setting Objectives

OBJECTIVE: _____

_____

SEQUENCE OF ACTIVITIES	PERSON(S) RESPONSIBLE

E. Program Plan

SUMMARY CHART

MISSION

1

2

3

4

5

TARGETS FOR CHANGE

Persons

Systems

PROGRAMS

SPECIAL PROJECTS

OBJECTIVES

RESOURCE ALLOCATION

$	Staff	Time

ACTIVITIES

OUTCOMES

E. Program Plan: Personnel Allocation

OBJECTIVE

Activity	Person Responsible

PROJECT TIME RECORD

NAME _____

DATE	START	STOP	WORK	PROJECT	TASK

Work Codes:
A - Administrative
S - Secretarial
C - Consultant
I - Instructional

E. Program Plan:
Dollar Allocation

Monthly Accounting Chart

Program _____	Budgeted	Expended this month	Expended to date	Remainder
Personnel				
_____				
_____				
_____				
_____				
_____				
BENEFITS				
_____				
_____				
MATERIALS AND SUPPLIES				
TRAVEL				
PROFESSIONAL SERVICES				
OTHER DIRECT				
INDIRECT				
TOTAL				

DATE OF REPORT: _____

F. Quarterly Monitoring Record

Objective _____

Innovation _____

1. What happened?

2. What didn't happen?

3. What needs to be changed?

4. Products - Minutes, Documents, Lists, etc.

G. Skills Evaluation

Please circle, in the appropriate column, the number which best indicates how important a given skill is for your job, the amount of previous training you have had and the amount of training you feel you need to do your present job well. 1=little and 4=much

NAME _____ POSITION _____

	Skill Area	Previous Training	Importance for Job	Training Needed
1)	Inventing	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
2)	Developing	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
3)	Designing	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
4)	Scheduling	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
5)	Budgeting	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
6)	Problem Solving	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
7)	Decision Making	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
8)	Policy Formulating	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
9)	Planning	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
10)	Organizing	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
11)	Negotiating	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
12)	Objective Setting	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
13)	Coordinating	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
14)	Monitoring	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
15)	Reporting	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
16)	Personnel Training	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much
17)	Personnel Evaluating	Little 1 2 3 4 Much	tle 1 2 3 4 Much	Little 1 2 3 4 Much
18)	Inter-Personal Communicating	Little 1 2 3 4 Much	Little 1 2 3 4 Much	Little 1 2 3 4 Much

AN INTRODUCTORY WORKBOOK
TO MANAGEMENT BY OBJECTIVES
for
DEPARTMENT OF EDUCATION PERSONNEL

Newell Paire — Commissioner
Robert Brunelle — Deputy Commissioner

A Product of Interstate 505
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Richard Gustafson, Keene State College
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July 1975

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I. INTRODUCTION

The management by objectives system has been adopted by the New Hampshire State Department of Education as a method to provide more goal directed behavior for its professionals. While MBO is not a perfect system, it has provided the department with a management tool which can assist in more effective planning, management and evaluation.

The purpose of this document is to provide the professional educator with an insight and some practical understanding of the MBO process. Each unit within the New Hampshire State Department of Education develops its MBO statements somewhat differently- the basic concept consists of the following three steps:

1) Writing the objective statements
   includes (1) audience to be served
   (2) behavior to be reached
   (3) conditions existing or needed
   (4) degree which will indicate attainment of desired outcomes

2) Negotiation of these objectives with Superiors
   includes (1) revised objectives statement
   (2) agreed to outcomes
   (3) agreed to time line
   (4) agreed to allocation of resources between subordinate and superior

3) Reporting on progress toward meeting objectives
   includes (1) agreement on format
   (2) agreement on content and time line for report
   (3) agreement on amendment process

The following pages in this document can be considered worksheets. It would be most productive if you did each section, then discussed them with someone from the planning and evaluation unit.

II. AN OVERVIEW OF MBO

A. Management by Objectives is a process whereby two persons in an organization identify goals, define major areas of responsibility for an individual in terms of results expected from him or her, and use achievement of results as guides for operating the organization and assessing the contribution of each of its members to the organization's mission and objectives.

It is designed to determine:

(1) what must be done
(2) how it must be done
(3) when it must be done
(4) how much it will cost
(5) what constitutes satisfactory performance
(6) how much progress is being achieved
(7) when and how correction action needs to be taken.

B. Management by Objectives is a term used to talk about, think about, act in, and control the activity of an organization. Those who use the term expect a person to work in an organization and to want to produce outcomes for the organization. The outcomes which serve the needs of the persons or groups the organization was instituted to serve, are the objectives to be managed.

C. All management activity derives from the roles, missions, and objectives of the organization as a whole, either as stated directly or as interpreted and understood by the concerned person. It is assumed that the individual manager exerts considerable influence on these roles, missions, and objectives. However, a compatibility between the direction he or she is going and that of those around him or her must be established.

Education organizations (such as the State Department of Education) have the mission to serve the needs of schools and institutions that provide education to learners. The objectives of the State Department of Education as an organization are:

The learner related goals are:

(1) improved programs in early childhood education with emphasis upon developing competencies in the areas of reading and mathematics

(2) improved and increased offerings in vocational education and career education

(3) improved and increased programs for handicapped children and adults

To facilitate the improvement of programs in these three areas we have adopted seven institutional objectives:

1) Secure more adequate state funding to provide equality of educational opportunity for all children in New Hampshire regardless of the community in which they live.

2) Expansion of the programs at the Vocational Technical Colleges, Technical Institutes and the twenty regional centers.

3) Continued emphasis upon using the teacher certification process to improve teacher competency primarily through the staff development design.

4) Continued effort to develop and implement an educational accountability plan.

5) School district reorganization.

6) Increasing our capacity to assist local school districts in conducting more effectively long range planning, both fiscal and programatic.

7) Institute a program evaluation system within the Division of Vocational Rehabilitation.

Each person in the organization manages their time, resources, and responsibilities to support these objectives. Each person has specific objectives that state how his or her job is designed to accomplish some part of the organization's objectives. Management by objectives is a method for making each individual's statement visible to those who need to know it.

The New Hampshire State Department of Education has committed itself to utilizing management of objectives as a vehicle for planning and evaluation.

Although there are slight differences in procedures and format for each of the Divisions of the Department, there are common themes underlying the MBO process in each division.

D. MBO occurs in a ten step sequential flow. However, in practical application, individual circumstances may dictate the combining, eliminating, or taking out of sequence of some of the steps.

1) Defining roles and missions - determining the nature and scope of work to be performed. This is the baseline, the specific commitment that a work unit makes, its reason for existence in the organization.

2) Forecasting - estimating the future. Here we bring our best educated guess to bear on what is likely to happen that would affect the accomplishment of objectives.

3) Setting objectives - determining results to be achieved. This represents the establishment of an end line, a specific, definable, and measurable point toward which to shoot in order to effectively perform the unit's roles and missions.

4) Programming - establishing a plan of action to follow in reaching objectives. This involves breaking each objective down into smaller pieces of action, in effect determining what kinds of steps we are going to need to reach the goal.

5) Scheduling - establishing time requirements for objectives and programs. Although interwoven through forecasting, setting objectives and programming, it is considered separately as we attempt to determine the calendar time necessary for each specific objective and its program steps, taking into consideration other work activities that may have to be performed during the same period.

6) Budgeting - determining and assigning the resources required to reach objectives. Here we take a look at our costs (human effort, materials, facilities) before we are committed to a course of action to see whether an objective is worth pursuing at all in terms of return-on-investment. Effective budgeting involves getting the best mileage out of the limited resources available to us.

7) Establishing Standards - determining a gauge of effective performance in achieving objectives. Decisions must be reached as to what factors related to the objective should be measured and how much constitutes effective performance.

8) Measuring performance - determining actual versus planned performance. The secret here is to select the method(s) of measurement that will provide the necessary visibility to performance with the least expenditure of time and effort.

9) Taking corrective action - bringing about performance improvement toward objectives. This is really the only reason for the entire controlling function. Any significant variances that may be identified in step 8 should be corrected through the use of one or more of three types of corrective action:

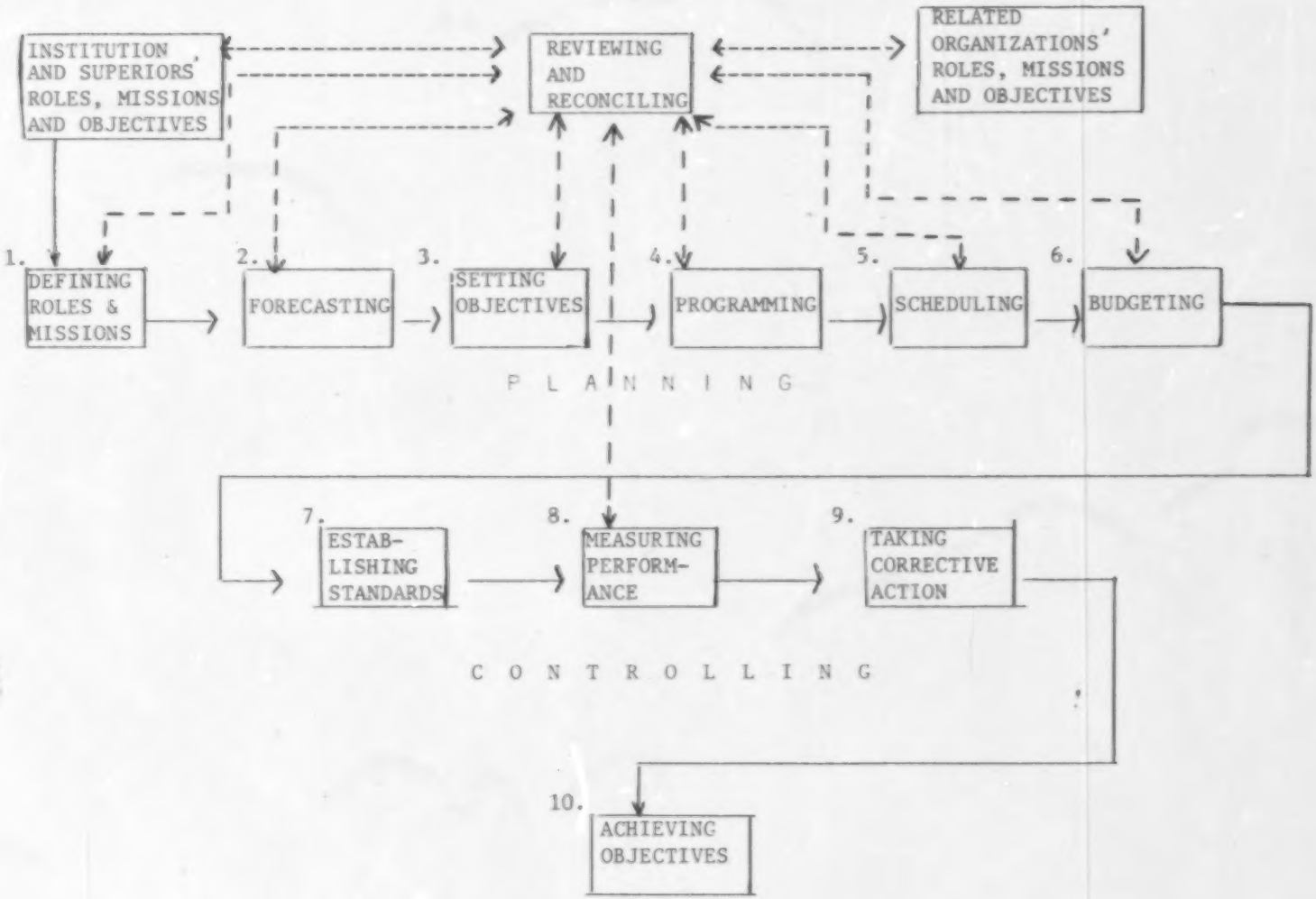
   (a) self-correcting action (by the accountable employee)

   (b) operating action (by a member of management above the accountable employee) or

   (c) management action (reviewing the management process and correcting the cause rather than the result.)

10) Achieving Objectives - this is the payoff, the mark of whether or not our efforts have been successful. These 10 steps are shown schematically in figure 1. You will note also that Figure 1 shows an unnumbered activity called "reviewing and reconciling" with a dotted line relationship to all the activities within the MBO process. It is not listed as a separate activity because it is a continuous process that goes on throughout all of the activities described.

Figure 1 The MBO Process



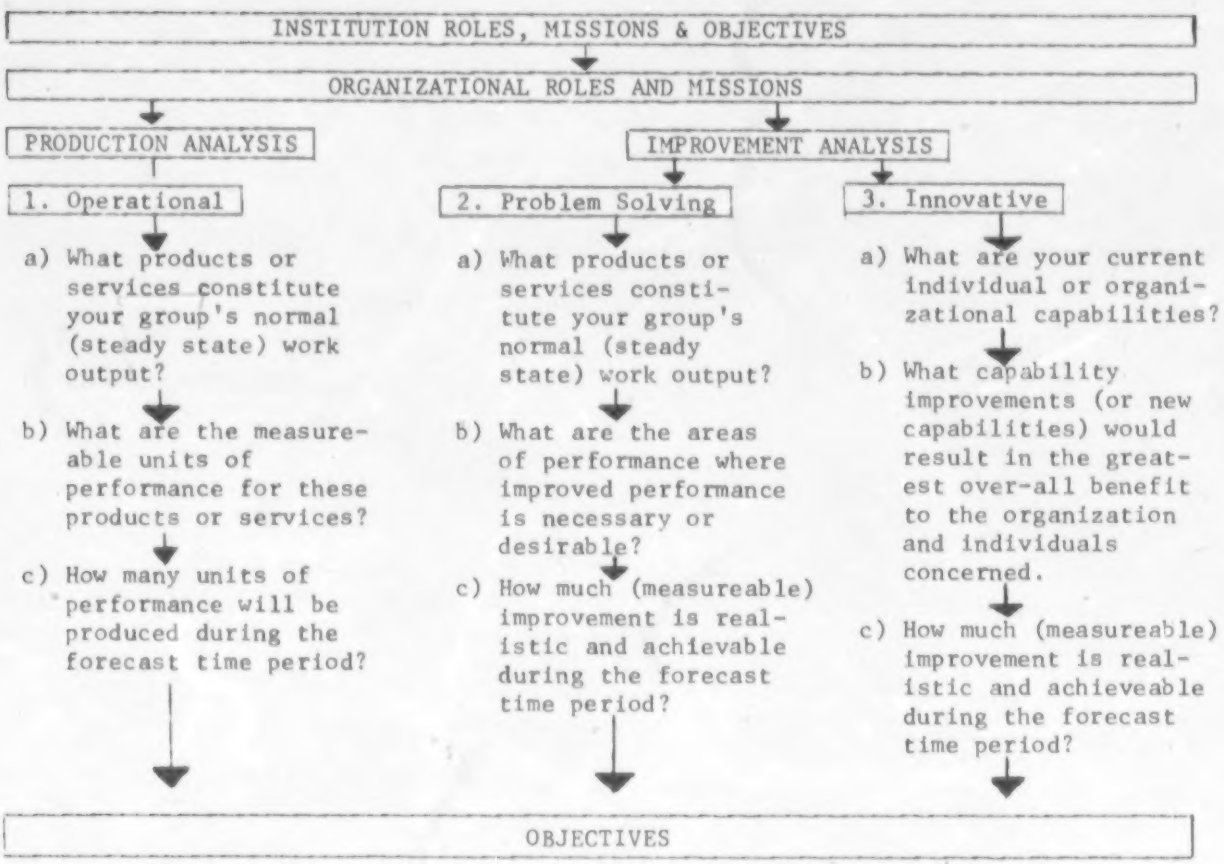
E. Setting Objectives is the Key to Management by Objectives

The following figure 2 provides a model for viewing the various roles, missions and objectives of an institution. Notice that these missions fall into two broad categories: Production and Improvement. The Improvement category is further subdivided into problem solving innovative objectives. Generally, each person within an organization will have objectives which can be categorized as operational, problem-solving, and innovative.

Objectives written in three different areas:

(1) operational and routine efforts
(2) problem solving efforts to improve the kinds and amount of outcomes
(3) innovation efforts which will change how a job gets done or bring in new tasks for the institution. The relationship is shown in figure 2.

Figure 2. Analysis Routes for Determining Objectives


INSTITUTION ROLES, MISSIONS & OBJECTIVES
ORGANIZATIONAL ROLES AND MISSIONS
PRODUCTION ANALYSIS
IMPROVEMENT ANALYSIS
1. Operational
2. Problem Solving
3. Innovative
a) What products or services constitute your group's normal (steady state) work output?
b) What are the measureable units of performance for these products or services?
c) How many units of performance will be produced during the forecast time period?
a) What products or services constitute your group's normal (steady state) work output?
b) What are the areas of performance where improved performance is necessary or desirable?
c) How much (measureable) improvement is realistic and achievable during the forecast time period?
a) What are your current individual or organizational capabilities?
b) What capability improvements (or new capabilities) would result in the greatest over-all benefit to the organization and individuals concerned.
c) How much (measureable) improvement is realistic and achieveable during the forecast time period?
OBJECTIVES

Operational Objectives

Regular work activities are the operational task which accomplish the immediate purposes of an enterprise. They are, in essence, the things which have been defined as duties on a day to day, but continuing, basis. Such activities normally constitute the major part of the responsibilities one has. Improvement in efficiency, quality, and quantity of existing processes is usually the end purpose of ordinary work objectives. These objectives might cover the ongoing operations of budgetry, program monitoring and reporting.

Operational objectives are ongoing tasks, i.e., are routine in nature. They should be clarified and written in the first MBO review, each year thereafter they should be confirmed but not rewritten unless there has been a change in procedure.

Problem Solving Objectives

This classification of objectives is designed to compliment the ordinary work classification mentioned above. Essentially, problem solving objectives deal with things which inhibit or impede ordinary work. The most serious potential weakness of this kind of objective is that it can become a substitute for developing other objectives which are goal related. These objectives might cover solving problems, new personnel procedures, changing evaluation procedures, obtaining more teacher involvement in certain programs. Problem solving and innovative objectives are written yearly in most organizations.

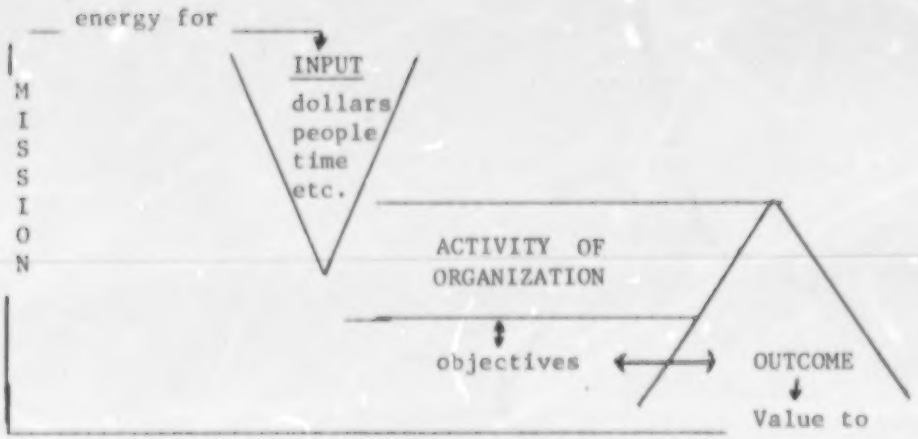
Innovative Objectives

By setting objectives which are intended to develop new and unusual ways to achieve the purposes of ordinary work activities. Objectives for innovation differ from problem solving objectives in that they are concerned with new processes rather than streamlining of old ones. The R and D activities of a manager would fall under this heading.

Figure 3 is another model for illustrating the translation of mission statements into objectives and activities.

Objectives are the basic building block for a formal management system because they provide an organizational step in accomplishing the Mission of the organization.

Fig. 3



The difference between objectives and outcomes then is that objectives are ideals or ideas of the organization, outcomes are actual down to earth events, products, achievement in learning or learning to teach.

Specific statements of objectives describe an outcome in terms of results expected. The results should be at realistic levels based on present ability to perform. This requires maintaining a flexible attitude toward objectives. Most will have to be amended or modified.

The expected outcomes should state a range of performance so that each person has latitude to react when something is out of line.

The objectives should be in the form of a written 'contract' between those involved for some stated period of time. The contract should be the result of face to face discussion.

Back-up documentation should be kept by all involved.

The agreement should include a procedure for specific and immediate feedback including periodic 'reviews.' The contract should recognize the personal freedom and the amount of resources needed to achieve results.

F. Advantages of MBO Contracting

Encourages long range planning and improved goal setting for development of more goal-directed behavior:

1. Provides a basis for accountability.
2. Provides for evaluation based on performance.
3. Establishes priorities.
4. Clarifies.
5. Provides for better communication.
6. Promotes better cooperation.
7. Encourages creativity.
8. Encourages leadership.

G. Disadvantages of MBO Contracting

The MBO design is incomplete, and there has been inadequate preparation for implementation.

1. The actual writing of the contracts presents problems.
2. MBO contracts may limit flexibility.
3. There are many difficulties in establishing goals.
4. There is too large a margin for error in evaluation and supervision.
5. When tied to salary, MBO becomes a "threat."
6. MBO contracting is very time consuming.
7. Many problems in communication develop with MBO contracting.
8. MBO contracting is less applicable to education than to industry.
9. MBO may lower morale and lessen cooperative attitudes.
10. MBO may lead to dehumanization.

H. Generally each professional in the organization develops six to eight objectives for a given year. This number seems to be realistic and can still permit the employee to have time to address the "crisis" or unexpected situations which develop in all organizations.

III. DEVELOPING AN OBJECTIVE

A. Management by Objectives depends upon an individual's ability to describe at least the key parts of his or her job which help the organization reach its objectives and mission. There are three kinds of activities which an individual does to do his or her job: operational, problem solving and innovative. When writing an objective to cover activity in any of these three areas, one follows the same basic approach.

DIMENSIONS OF A PERFORMANCE OBJECTIVE

Audience:	who will be affected
Behavior:	what will they have to do (see list of action verbs)
Conditions:	what resources are needed or what constraints exist which must be modified if you are to reach the objective
Degree:	how much needs to be accomplished, by what date, to what degree of quality

GUIDELINES FOR WRITING OBJECTIVES

Under normal circumstances, a well-formulated routine or problem solving objective will, in addition to being in the ABCD format described above, also exhibit the following characteristics:

(1) Produce a single key result when accomplished.
(2) Specify a target date for its accomplishment.
(3) Specify cost factors.
(4) Be as measurable and verifiable as possible.
(5) Specify the "what" and "when"; avoid venturing into the "why" and "how."
(6) Be readily understandable by those who will be contributing to its attainment, both superiors and subordinates.
(7) Be realistic and attainable, but still represent a significant challenge.
(8) Provide reasonable payoff on the required investment in time and resources, as compared with other alternatives available.
(9) Specify who has the primary responsibility for achievement when joint effort is required.
(10) Be consistent with basic organizational policies and practices.
(11) Be willingly agreed to by all involved including superior and subordinate, without undue pressure or coercion.
(12) Be in writing, with a copy kept and periodically referred to by all involved.

B. Sample Objectives

1. ROUTINE

Routine Objective: (for use for the first negotiation)

Goal - Promote and strengthen career education

Objective - By May 30, 1975, adapt the existing elective process so that four modules on career education are available to students.

Audience - Division of Instruction at a Technical College

Behavior - Expansion of career education modules in each field of specialization

Conditions - Funding of $50,000 curriculum development

- Participation by 15 staff members in 8 week curriculum development workshop

Degree -	Min.	Realistic	Max.
Number of students served	200	250	300
Number of C/E units developed	30	60	90
Number of high school students involved	600	900	1,500

All routine objectives which were included in the 1968 statement of objectives will continue as previously written. A quarterly exception report will be prepared indicating:

a) Any objective not met and the reason for not meeting it with proposed changes to ensure the problem does not reoccur.

b) Prediction for the next quarter of any objectives it is anticipated will not be met and recommendations for changes to maximize the possibility the objective will be met.

2. PROBLEM SOLVING

Goal - Promote and strengthen career education program.

Objective - By May 30, 1975, implement three pilot programs in career education in New Hampshire.

Audience - School Board and Superintendent of Schools in Con Val, Concord and Somersworth.

Behavior - Submission of application for funding for a pilot program in career education to Vocational Ed Exemplary Program or to ESEA III by each of the 3 districts.

Condition - Full funding of the Voc Ed Exemplary Program - ability of consultant to devote 90 man days of time.

Degree -	Min.	Realistic	Max.
Number of students served	150	400	900
Number of program elements	6	12	15
Local dollars committed	50,000	100,000	300,000
#local man days at no costs to project	600	900	1,500
#of released time days	3	9	18

3. INNOVATIVE

Innovative Objectives, by their very nature, are extremely difficult, if not impossible to fit into the ABCD Format. Since they are innovative, we may not know the audience, behavior, conditions or degree. It would be more reasonable to ask that innovative objectives identify the area of concern and commit the writer to the following four points of analysis.

a) Present Conditions: Give the statistical and qualitative facts including what others are doing.

Analysis: Internal

(1) What are the weaknesses?

(2) What present strengths do you see?

(3) List the major and minor problems?

Analysis: External

(4) What are the major threats present?

(5) What risks are inherent in the present condition?

(6) What opportunities exist here?

b) Trends: If we didn't do anything with respect to this condition, where would we be in 1--2--5 years? Do we like this?

c) Objectives: What are the conditions which would exist if we were to meet our goals in this area for the next 5 years?

d) Options Available: List the options which might be considered (e.g. do nothing, reorganize, find a scapegoat, or something wholly new).

C. Objectives: Criteria for Testing their Adequacy

Results-Oriented	Is the outcome of the activity described?
Observability	Can the results be seen or verified by others?
Not Currently Attempted	Have the results been obtained already?
Related to Other Objectives	Can the results be given a place in relation to other objectives?
Achievability	Is there a reasonably good probability that the result can be attained?
Time-Dependent	When is the desired result expected to occur?
Conditions affecting results	Have the circumstances likely to affect the achievement of the objective been identified? (positive and negative)
Degree specified	How much is to be achieved?

D. Doing a Performance Objective

Directions: Jot down below a rough statement for each element of a performance objective. Identify all your audiences before completing the BCD section of the form. When you take more than one audience, complete a separate BCD for each behavior you expect the audience to exhibit.

Audience: who will be affected

Behavior: what will they have to do

Conditions: What resources, constraints exist or need to be available to change behavior

Degree: how much needs to be accomplished - minimum, realistic, maximum

E. Negotiating an Objective

Prior to reviewing objectives with the subordinate and the supervisor, they should ask themselves the following questions:

I. PERFORMANCE OBJECTIVES CHECKLIST

A. Has a date been set to discuss, face to face, your analysis of the objective? yes ☐ no ☐

B. Has the subordinate and supervisor received a copy of the performance objectives? yes ☐ no ☐

C. Has the supervisor negotiated his/her performance objectives with his/her supervisor? yes ☐ no ☐

D. Has the supervisor briefly discussed the subordinates objectives with his/her supervisor? yes ☐ no ☐

E. Is the person filling out this checklist the same person who will discuss the analysis and evaluate the subordinate's performance? yes ☐ no ☐

F. Has time been set aside for an end of the year review? yes ☐ no ☐

If you have checked any item in the no box, you have set up conditions which will minimize the effectiveness of the MBO Process.

Correct it before you proceed further.

II. ANALYSIS

A. Is the balance between problem solving and innovative objectives reasonable in light of your expectations.

B. Do the objectives relate to the division objectives?

C. Do the objectives represent a reasonable workload, i.e. are they attainable with effort?

D. Do the objectives reflect realities such as obstacles, emergency and routine duties?

E. Do the objectives show the relationship between this individual and others from whom cooperation is required, i.e. attainment is to be achieved.

F. Do the objectives set clear areas of responsibility when two or more people are working in similar areas or between the superior/subordinate?

G. Do the objectives stress areas of desired attainment?

H. Do the dates for accomplishing the objectives reflect reality?

I. Do the objectives clearly identify the:

1. target audience

2. behavior expected of that audience in as specific and quantifiable terms as possible

3. conditions which have to be met before objective can be achieved (this is not always required)

4. the degree of success stated in 4 range showing minimal levels of acceptance, mid-range, and super success level

5. evaluation procedures.

J. Is the cost of reaching the objective clear?

K. Is the cost reasonable in terms of the benefit to be obtained?

L. Is the objective consistent with State Board policy and State rules and regulations?

M. Do the objectives reflect the work you expect this individual to do in the major areas of:

communicating
consulting
controlling
securing
participating
evaluating
disseminating

F. Reporting on Objectives

To report activity one can agree on many formats. The basic content of the report should be (1) What happened, (2) What didn't happen, (3) Changes planned, (4) Products (outcomes) reached. The following is a form for reporting to others.

ASSESSMENT OF INDIVIDUAL OBJECTIVES

NAME _____ DATE _____

OBJECTIVE	OUTCOMES	DEGREE OF SUCCESS IN REACHING OBJECTIVES	FACTORS OF INFLUENCE

SUMMARY

Number of objectives projected to be met by this date _____.

Number of objectives actually met _____.

IV. USING OBJECTIVES TO MANAGE ACTIVITY

A. The major purpose of the MBO system is to make it possible to assign clear responsibility to individuals for activities which assure the accomplishment of objectives. It is important to outline the steps required in the organization in this case the state department for getting an objective done.

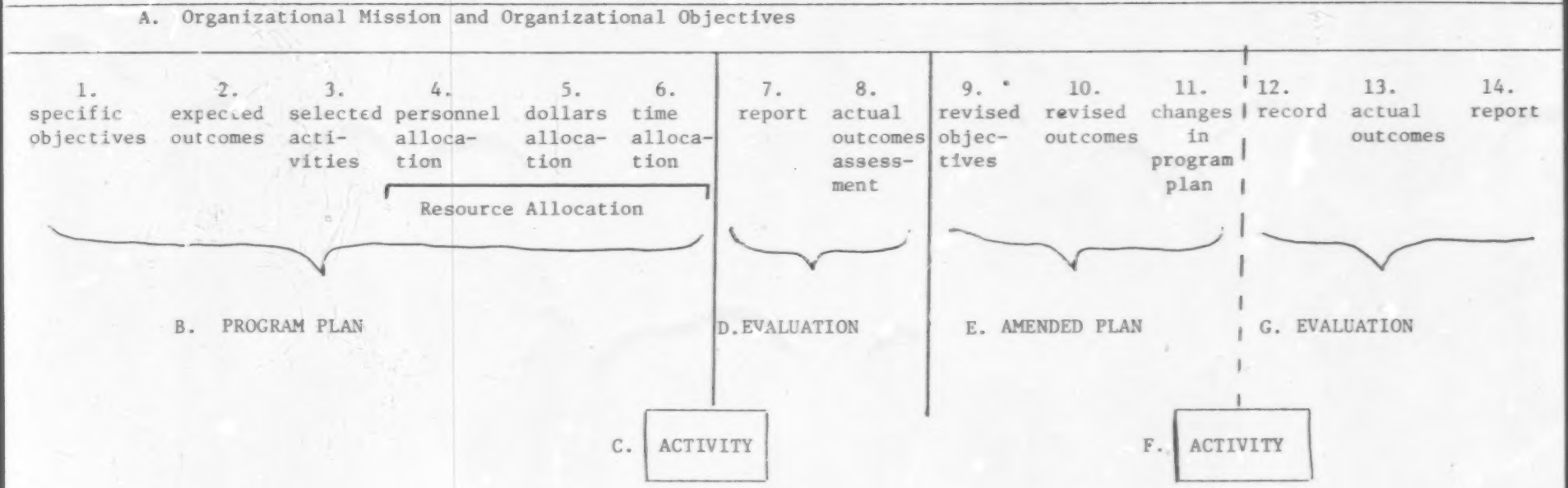
Completing the following format is a useful next step:

OBJECTIVE: _____

_____

SEQUENCE OF ACTIVITIES	PERSON(S) RESPONSIBLE

B. When MBO is in operation, the following steps will exist.



The pieces you will need from others in the organization are:

- .resource allocation or budget
- .statement of organizational Mission
- .statement of organizational Objectives

The actual level and type of activity you undertake will depend on personal initiative within the context of objectives and support you have negotiated publicly with those you work with.

C. If you need help to develop the system for your job (and all of us have and do need some) please feel free to contact the Planning and Evaluation Unit or one of the following:

Division of Administration

George Bussell
Harvey Harkness
Gordon Tate

Division of Instruction

John Economopoulos
Charles Marston

Division of Post Secondary Education

Dr. George Strout

Division of Voc-Tech Education

Dr. Lila Murphy

Division Voc-Rehab

Peter Clark

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